

**THE POLITICS OF ECONOMIC LIBERALISATION  
IN URBAN TANZANIA**

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## Abstract

This thesis examines the political responses of urban Tanzanians to the policies of economic liberalisation implemented since the late 1980s by the Government of Tanzania as part of the Structural Adjustment Programme sponsored by the International Monetary Fund and the World Bank. It also examines their political responses to the issue of multiparty politics. The argument is that even though Structural Adjustment has been initiated in Tanzania, it crucially needs public support to engender the kind of government commitment and capability that is required to enable the government to implement it fully. It looks at three categories of respondents, those of the urban lower classes, those in the government and party bureaucracy and those in the educational and media sectors, who form part of the intelligentsia. The analysis is based on fieldwork carried out in the three major towns of Dar-es-Salaam, Arusha and Dodoma where open-ended interviews were conducted with more than 290 citizens. One wide-spread response to the economic hardship, since the early 1980s, has been to work in the informal sector, which along with the illegal underground economy, has been termed the Second Economy. The responses largely indicate a willingness to put up with the hardships imposed by the economic austerity of the liberalisation measures, over and above that caused by the economic crisis of the early and mid-1980s. But whether this public tolerance will continue in the absence of further short-term benefits is not clear. Also, regarding the moves towards political liberalisation and multiparty politics, these late-1980s developments are seen as improving governance, with a general feeling being that it has served to improve the functioning of the single-party. But clearly urban Tanzanians do not feel that more parties means greater democracy. However, the related phenomena of 'disengagement' from the state and the 'informalisation' of the economy, with their diversion of state resources including human capital away from the formal economy, do not augur well for the future success of structural adjustment. If, consequently, growth in the formal sector does not respond to structural adjustment as it is intended to, the political legitimacy of the leadership in the post-colonial Tanzanian state may well be under threat.

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## **Tanzania : Regions and Districts**

[Source : Bryceson (1993), pp. x-xi]

## Chapter 1

### Introduction : State, Civil Society and Structural Adjustment in Africa

#### 1.1. High to Low Politics : 'Disengagement' of Civil Society in Africa

The post-colonial state has been the focus of a considerable amount of political scholarship, especially in the 1960s, and for good reason: it remains the most prominent landmark on an institutional plane.<sup>1</sup> The character of the post-colonial state in Africa derives in large measure from the character of the colonial state - centralised, coercive and bureaucratic.<sup>2</sup> As Bayart (1993) writes, the post-colonial state in Africa was constructed on colonial foundations, as opposed to developing 'organically' "from the entrails of civil society" (p. 32).<sup>3</sup> Thus, Nellis (1972) notes that the national elite that came into power in Africa "was thoroughly accustomed to legally strong, hierarchically organised and centralised and economically-intensive governing systems" (pp. 12-13). But in addition to all the formal attributes of the colonial state, the post-colonial state was no longer accountable to colonial powers, giving the impression of almost limitless power. But as Chabal (1992, pp. 79-80) notes, this power was largely illusory. For, while on

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<sup>1</sup> "States possessed governments, bureaucracies, armed forces, police; they ran schools, hospitals, dispensaries, postal services and airports; they controlled marketing boards and trade licences; they issued communiques and made political statements; they had representation on international bodies like the United Nations (UN) or the Organisation of African Unity (OAU). In short, states were visible and understandable" (Chabal, 1992, p. 69).

<sup>2</sup> See also Gann and Duignan (1967), Diamond (1988), Chazan (1988) and Chabal (1992). Diamond (1988), referring to the work of Gann and Duignan (1967) writes that "the colonial legacy was not only authoritarian but also statist, going on to note that "the colonial powers imposed extensive state controls over internal and external trade in their African colonies, and in the later stages of colonisation, this intervention broadened and deepened" (p. 7). See also, Young, 1988.

<sup>3</sup> For Bayart (1986), civil society in its classical sense does not generally exist in Africa since "deep cultural, religious, linguistic rifts preclude its formation" (pp. 118-120). Chabal (1992) observes like Bayart that "the state in Africa is an excrescence in that it did not as in Europe or Asia, grow organically from and against civil society" (p. 73).



the one hand much was expected of the new states - thus creating enormous new commitments for the new leaders, on the other, it had access to much smaller state resources - given that many colonial sources of income had to be abolished in the wake of independence and given that the new state could not access the extra-national resources that the colonial power could furnish to its colony.

In response to these new challenges, most new post-colonial states in Africa chose 'statist' modes of development - thus entrusting their bureaucracy with hugely expanded administrative tasks, centralised power further and increased the role of patronage.<sup>4</sup> The state was also seen to be the locus of economic power and access to state resources was a prized accomplishment, whether through the bureaucracy or through political means, direct or indirect - i.e., through patron-client networks. As Diamond (1988) writes, "[b]oth for its resonance with socialist and developmentalist ideologies and for its obvious utility in consolidating power, and accumulating personal wealth, this legacy of statism was eagerly seized upon and rapidly enlarged by the African political class after independence". Caught between financial constraints and mushrooming demands on state resources, the state chose to spread itself thin by expanding and accommodating as many as possible. The state, in other words, was 'overdeveloped' (Alavi, 1971; Leys, 1976) and 'predatory' (Lal, 1984; Bates, 1981).

But while 'overdevelopment' carries the connotation of state dominance, the power of the state was illusory to the extent that effective administration was severely hampered by dwindling finances - due to the demands of the patrimonial state - and the threats to its political legitimacy implicit in any attempt to cut or reduce these patron-client relations. The fear of political threats to its leadership and the inability to effectively govern have led to the portrayal of the post-colonial state in Africa variously, 'weak' (Folley and Rothchild, 1983; Migdal, 1988), 'soft' (Forrest, 1988; and Lal, 1987), a 'lame Leviathan' (Callaghy, 1987), 'omnipresent

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<sup>4</sup> Chabal (1992) thus observes that patronage was "the most convenient and effective means of government" (p. 177).

but hardly omnipotent' (Chazan, 1988) and a 'quasi-state' (Jackson, 1990).<sup>5</sup> Thus Diamond (1988) writes "[t]he typical African state may be described as 'swollen', in that it is at once both too large and too weak" (p. 20). A weak state, Foley and Rothchild (1983) point out is confronted simultaneously with a variety of severe problems including economic scarcity, a decaying economic and social structure, decline of regulated inter community relations, a deep cleavage between state and society, insufficient state legitimacy and inadequate state coercive power. Yet typically, the state has resorted increasingly to coercion and authoritarianism to protect itself. Thus Mazrui (1983) describes the state as "excessively authoritarian, to disguise the fact that it is inadequately authoritative" (p. 293). Bayart (1986) writes that the post-colonial African state expanded, "developing in and upon society, multiplying its specialist apparatuses, subjecting populations to its control, criss-crossing the territory it occupied and finally subjecting the activities of society to its control" (p. 112).

This description clearly militates against the centrality accorded to the state in the 'modernisation' theory that developed in the 1960s (and which still continues today) which take the state to be the central organ to maintain social harmony, political and economic well-being and to foster development and nation-building (Almond and Coleman, 1960; Apter, 1965). Even the radical notion of the state that followed implicitly endorses the centrality of the state (see, for instance, Alavi, 1972; Ake, 1981; Skocpol, 1980).<sup>6</sup>

Political analyses since the mid-1970s interpreted political events in Africa focussing on the political institutions of the state. When society was brought into the

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<sup>5</sup> To Jackson and Rosberg (1982), the African state is merely a recognised territorial unit within the international community. They are in fact skeptical about the African state meeting an empirical definition of the state based on its ability to exercise control (enforce laws, policies and regulations) over the people in the territory under its jurisdiction. They also attribute its survival to its juridical identity in international law and willingness of other states to recognise it and prop it up, rather than to its intrinsic political legitimacy. It is in this context that Jackson (1990) feels that the ex-colonial states in Africa are "still far from complete" (p. 2) in terms of empirical statehood and he thus terms them 'quasi-states'.

<sup>6</sup> The international dependency can be seen as an outgrowth of class structural analysis like Amin (1976), Ake (1981), Saul (1979), Sklar (1979), Shivji, Mamdani (1976) in that it (i) depends on Marxist class theory and (ii) it locates domestic power in the formal apparatus of the state. Pluralists spoke of various groups vying for control over state resources while Neo-Marxists saw the contending parties/groups in terms of class differences and sought to show how the new state apparatus became a vehicle for new class formation.

analysis it was merely to explain why the state did not function properly. It is since the 1980s that works of political scientists like Hyden (1980), Klein (1980), Azarya and Chazan (1987), MacGaffey (1987) and Lemarchand (1988) has shifted the focus to civil society and the ways in which civil society has been coping with the state.<sup>7</sup> In a significant attempt to redefine politics, Leftwich (1983) observes that the state constitutes only one of the many possible foci of socio-economic and political exchange. In other words, as Bratton (1989) argues, politics, power and control are not necessarily coterminous with state or public domain and, as Chazan (1988) puts it, "power vectors and the search for empowerment take on different meanings in this context" (p. 123). Thus, Chabal (1992) notes: "As the interpretative capacity of state-centred conceptual frameworks has decreased over time, it has become quite evident that political scientists have been led astray by the mirage of high politics: constitutions, parties, governments, parliaments, ideology, etc." (p. 82).

From this perspective of 'low politics', Chabal (1992) argues that the chief characteristic of the African post-colonial state is its "drive for political and economic hegemony" (p. 81), and the extent to which it has been fulfilled has depended crucially on the politics of civil society. To Chabal thus, the nature of the African post-colonial state "derive[s] in large measure from the nature of civil society and its mode of coexistence with it" (p. 82). Such an approach has occasioned a plethora of society-based studies focused on survival strategies in the changing economic and political circumstances, like the informal economy, and on the "internal dynamics of socio-economic relations in small-group settings" (Chazan, 1988, p. 122). Such society-centred approaches, "do not consider participation in the

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<sup>7</sup> Although originally civil society has been used as a "generic term for society and the state" now it is used to refer to "organisations and institutions in the contemporary social order which are separate from and find expression in their relationship to the state". Whereas the state is "identified with a legal and institutional apparatus ... civil society denotes patterns of association (such as interest groups, professional bodies, membership organisations) which are customary and spontaneous and not necessarily dependent on the law" (Healey and Robinson, 1992, pp. 160-1).

state as axiomatic or necessarily desirable" (id.).<sup>8</sup>

Indeed, a feature of civil society dynamics in contemporary Africa is its 'disengagement' from the state, where 'disengagement' refers to "a tendency to withdraw from the state and to keep it at a distance from its channels as a hedge against its instability and dwindling resource base" (Azarya, 1988, p. 7). Disengagement is thus manifest as a skepticism concerning the effectiveness and legitimacy of state action and thus is popular evasion, a move away from the state-cash nexus to subsistence economy or to parallel or black market smuggling activities, etc.<sup>9</sup> But a withdrawal from the state, or disengagement, need not be absolute, whereby state education and social services are still attractive. The assumption of disengagement is that the state is not always "the most desirable magnet" for social action and that it constitutes "one of the many poles for social and economic exchange" (Azarya, 1988, p. 18).<sup>10</sup>

Although thinking in terms of incorporation into or disengagement from the state focuses attention on various groups and sectors in civil society as they respond to what the state achieves or is unable to achieve, this focus must not detract from the obviously-overwhelming presence of the state in Africa. It is the repository of international aid and investments, of political, military and other such (diplomatic) support and internally, its extractive resource base and regulatory function is

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<sup>8</sup> Because of the fear of political authority citizens increasingly stop using what Hirschman (1970) calls their "voice option". To him "voice is nothing but a basic portion and function of any political system, known sometimes also as 'interest articulation'" (p. 30). Although Hirschman also uses the notion of an "exit option", it is basically as an economic concept (i.e., exit from market demand when prices rise). Hyden's powerful thesis of the 'uncaptured peasantry' introduced the explicitly political notion of an 'exit option' of citizenry from the state arena. See also Bratton (1990).

<sup>9</sup> See Azarya and Chazan (1988) for varied forms of disengagement. But Azarya recognises that some forms of disengagement like parallel markets have "some sort of official collusion" (p. 8). For Azarya, secessionists activities, civil wars, regional separatism come within the ambit of disengagement though he does not see military coups, strikes, demonstrations and assassinations as part of disengagement.

<sup>10</sup> In contrast, Azarya (1988) defines 'incorporation' as "the process whereby large segments of the population associate with the state and take part in its activities in order to share its resources" (p. 6). Incorporation may manifest itself in population migration from rural to urban areas and from remote regions to economic and communication centres. It may include greater receptivity to mass media and an influx of immigrants from neighbouring countries. More specifically economic manifestations are an increase in the production of goods and services, a larger wage labour force, greater commercialisation of agricultural products and the emergence of new forms of entrepreneurship, encouraged and subsidised by the state.

significant. As Azarya (1988) puts it, what needs to be realised and not underestimated is that despite this Leviathan-like character of the state, "segments of society manage to maintain patterns of behaviour which are at variance with the state codes ... They hold on to their ways of life with greater tenacity or devise new forms in response to though not necessarily in accordance with state action ... [and] are quite successful in circumventing the greater power and determination of state leaders." (p. 18).<sup>11</sup> The centrality of the state in political analysis thus is slowly being lost with doubts being cast on the state's role in fulfilling economic and social aspirations. With the blossoming non-formal socio-economic and political activities - there is much movement between the official and the unofficial, public and private, rural and urban - resulting in a "precarious balance between state and society" (Chazan, 1988, p. xi) and this has ushered in a shift in the "centre of political gravity" (id.).

A concept that attempts to incorporate this perspective and balance the actors is that of governance (a concept that the Carter Center of the Emory University of Atlanta, and, more specifically, Richard Joseph, Michael Bratton and Goran Hyden, have sought to popularise among Africanists). The basic idea is that political power is vested outside the government as well, and, as a result, the government is forced to make concessions and bargains with different sections of society in order to maintain its political support base and legitimacy.<sup>12</sup> Hyden (1989, 1992), thus, goes beyond the performance of governments to the social roots of authority, pointing out that governance is "characterised by reciprocal behaviour and legitimate relations of

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<sup>11</sup> In this context, Ndulu (1985) writes, "[a]lthough the bulk of the population is politically immobilised, their power is implicitly acknowledged and the regimes cater clientelistically to some of their demands (through amenity provision) while assuring that these pressures do not reach levels requiring severe structural reform" (quoted in Young, 1988, p. 59).

<sup>12</sup> Hyden elevates 'governance' to an "umbrella concept" to define an "approach" to comparative politics, an approach that fills analytical gaps left by frameworks that have previously enjoyed prominence in the discipline (Hyden, 1989), defining it as "conscious management of regime structures with a view to enhancing the legitimacy of the public realm" (1992, p. 7). Public realm, to Hyden, encompasses both state and civil society. He emphasises that "the state is not the sole harbinger of political power" (Hyden, 1992, p. 6). Governance, to him, "does not imply as government does, that real political authority is vested somewhere within the formal legal institution of the state. Nor does it imply, as the term leadership does, that political control necessarily rests with the Head of State or official leadership elite" (id.).

power between governors and governed".<sup>13</sup>

## **1.2. The Politics of Structural Adjustment in Africa**

Although through the 1960s and 1970s the World Bank endorsed significant government intervention in the economy in order to foster development, it radically altered its views in the 1980s with the onset of economic crises in many African countries (e.g., World Bank, 1981). Its reaction to the increasing balance of payments and budgetary management difficulties arising from diminishing export earnings, increasing burdens of debt servicing and inappropriate domestic policies was the formulation of Structural Adjustment Programmes (SAPs). The underlying assumption in these programmes devised by the IMF and the World Bank was that economic growth in sub-Saharan Africa will only be resumed by a contraction of state activity and development of liberalised markets.<sup>14</sup> Thus, the measures within the reform programmes include, producer price reform, reform of subsidies, liberalisation of internal and external trade, new foreign exchange systems (i.e., severe devaluation), introduction of cost-sharing for previous state services and the restructuring of government institutions.

The implementation of these largely technical economic prescriptions were the conditions on which financial assistance was to be advanced to African governments in the early 1980s. The IFIs however were consciously politically neutral playing a merely supervisory role in the reform process. But with the deepening economic crisis in Africa, the view of the IFIs became more interventionist, with attention shifting to legal and political reform in recipient countries in order to create a congenial environment for liberalised growth (Toye,

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<sup>13</sup> Hyden (1989) notes that 'governance' differs from 'rule' because rule does not presuppose legitimacy.

<sup>14</sup> The IMF and the World Bank are together referred to as International Financial Institutions (IFIs).

1992; Beckman, 1992; Jeffries, 1993).<sup>15</sup>

The World Bank and the International Monetary Fund, however, are not the only international bodies interested in guiding African development and neither is their approach to the development problem unique or original.<sup>16</sup> In the specific context of the United Nations' Economic Commission for Africa (e.g., UNECA, 1989), which advocates a needs-oriented, self-reliant, participatory and (more recently) environmentally protective development strategy for Africa, Sandbrook (1993) notes that "[a]lthough the World Bank has borrowed some of the rhetoric of human-centred development since 1989, the ECA nonetheless advocates far more radical change than that envisaged by the international financial institutions" (p. 135). In the context of the 'African alternative framework' to orthodox SAP formulated by the UNECA in 1989, Sandbrook (1993) observes that, "whereas the World Bank advocates opening up the African economies to global market forces, the ECA contends that it is largely the external dependency of these mono-cultural economies that accounts for their lack of dynamism" (p. 136). Also, he notes that the Lagos Plan of Action (April, 1980) formulated by the Assembly of Heads of State and Government of the Organisation of African Unity, endorses ECA's focus, namely that the continent should "replace its export-led development model with a more inward-looking self-reliant thrust ... although economies which continue to produce primary commodities for traditional export markets, would progressively achieve greater self-sufficiency in food and manufacturing production" (ibid., p. 136). By aiming for 'collective reliance', Africans would "break their excessive dependence on external markets, investment and technical expertise ... [and] producers would realise economies of scale in the expanded market" (id.). But

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<sup>15</sup> Jeffries (1993) writes that "[h]aving barely started to implement such reforms, however the [World] Bank was by 1989 beginning to shift its emphasis towards 'governance' in a much broader sense, calling for 'political renewal' including a 'pluralistic institutional structure', a free press and respect for human rights" and further, that "[s]ubsequently, the Bank has of course joined bilateral donors in tacitly tying its assistance to evidence of political liberalisation" (p. 26).

<sup>16</sup> For alternatives to the World Bank/IMF view on development in sub-Saharan Africa, in particular, UNICEF's *Adjustment with a Human Face* (1986-1987), the 'Africa's Priority Programme for Economic Recovery, 1986-1989' of the OAU in 1985, the 'UN Programme for Action for African Economic Recovery and Development' of 1986 and the ECA Report of 1989, see Loxley and Seddon (1994), pp. 490-493.

Sandbrook notes that, "unfortunately, however, African governments who endorsed the Lagos plan largely ignored their policy commitments in the 1980s" (id.). The structural adjustment programme of the international financial institutions, thus, remained the only viable practical alternative.

The move from conditional financial assistance to the formulation of the structural adjustment programmes followed the acceptance of Lipton's (1977) thesis of 'urban bias' which held politically powerful urban coalitions responsible for diverting state resources hitherto to the detriment of the rural constituents. The assumption underlying the structural adjustment is that such reform would lead to a redistribution of income in favour of groups that have been discriminated against by the prior policies of these governments. Bates (1981) and Lofchie (1975) attempt to show how the distribution of power in post-colonial Africa affected agricultural growth and rural incomes, arguing that rural poverty is a product of discriminatory trade and pricing policies. To them, the urban political coalitions that shaped developmental policies in the 1960s and 1970s did not represent peasant interest and were also contradictory to those of industrialists, workers and political elites whose profit margins would fall if, for instance, farm prices were to be raised. The urban political coalition according to Pletcher (1986) was maintained through price controls, food subsidies, and state-run marketing boards. Hence, a conscious anti-urban bias was built into these structural adjustment programmes.

SAPs with their concomitant redistribution of income and fundamental changes in the way the state operates pose economic and political problems for the governments, as acknowledged by the World Bank, when it argues: "underlying the litany of Africa's development problems is a crisis of governance. Because countervailing power has been lacking, state officials in many countries have served their own interests without fear of being called into account. In self-defence, individuals have built up personal networks of influence rather than hold the all-powerful state accountable for its systematic failure ... The leadership assumes broad discretionary authority and loses its legitimacy. Information is controlled and voluntary associations are coopted or disbanded. *This environment cannot ... support a dynamic economy.*" (World Bank, 1989a, pp 60-61).

In essence, the IFIs considered the failure of public institutions is a "root



cause" of Africa's weak economic performance. The quality of government has deteriorated, it was argued, with "bureaucratic obstruction, pervasive rent-seeking, weak judicial system and arbitrary decision-making" (WB, 1989a, pp. 60-62) and "a deep political malaise stymies action in most countries" (p. 192). SAP thus cannot function without a well-functioning state and the retreat of this state is essential as a strategy for liberating civil society and "empowering the people" (WB, 1989a quoted in Beckman, 1992, p. 85). Political reform, to bring about democratic government, was necessary to provide an adequate enabling environment for structural adjustment.

But as Beirsteker (1990, p. 488) points out, the SAP's emphasis on a diminished role of the state "has political implications both for domestic relations of production (between capital and labour as well as between foreign, local and state sectors) and ultimately for the position of countries in the international division of labour ... [and also has] significant long term implications for the choice of development strategy". SAPs, thus, involve a major re-alignment and, as Gulati (1990) points "the development coalition ... underpinning the existing edifice of policy will have to be altered" (p. 77). In fact, the programme means that the leaders relate to their constituents in "an entirely new way" (Herbst, 1990, p. 10). It involves major curtailments in the ability of the state and leaders to provide patronage.

Thus, the reason why the World Bank has felt obliged to enter into questions of political theory is because it has doubts about the capacity of the African state to "handle resistance" to SAP. Resistance to SAP, according to the Bank, emanated from narrow self-seeking elements, "the vested interests that profit from the present distorted incentives and controls" (WB, 1989a, p. 192).<sup>17</sup>

The implementation of structural adjustment programmes thus can be said to imply a 'state-sponsored disengagement' (Bratton, 1989) in the form of drastic

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<sup>17</sup> Nevertheless, Beckman (1992) feels that "the Bank seeks to boost this capacity (to "handle resistance") not by addressing the objections of the opposition but by seeking to undercut its political and ideological legitimacy" (p. 87). Further, Beckman feels that, contrary to the World Bank view, it is resistance to SAP and not SAP itself that breeds democracy. Thus he says that "SAP can be credited with having contributed to this development [rise of democratic forces], not because of its liberalism but because of its authoritarianism (Beckman, 1992).

austerity measures to curb imports and to reduce government spending - which is in direct contrast to the first phase of African statehood, stretching from Independence to recently, which was the state-centric era of the 'engagement paradigm' when state consolidation was manifest in state-intervention in the economy, apparently to cement patron-client relationships, with "paradigmatic examples" being the blossoming state enterprise, agricultural price policy and import regimes (Herbst, 1990, p. 950). And civil society reacts to such state policies in a myriad of ways which can ultimately threaten the political legitimacy of the ruling polity.

Driven by the declining real income, urban households (including professional classes) have sought multiple income-generating activities (Mustafa, 1992). Some have functioned clandestinely to avoid heavy taxation or rigid price controls to meet consumer needs for goods and services that the state can no longer provide (Maliyamkono and Bagachwa, 1990). The 1980s have thus been a period in which informal enterprises and informal organisations have sprung up all over Africa - the former to secure personal incomes and the latter to protect the welfare and interests of members as state-provided social services have deteriorated or collapsed. In the process of increasing levels of autonomous economic activity, the provision of services outside of the state and the evolution of new mechanisms for popular interactions with law-enforcement agencies, the bureaucracy and politicians, a weakening of the authority and influence of the African state has been inevitable.<sup>18</sup> It is in this context that Sandbrook (1986) asks "[w]hat will hold these societies together when the rulers have little in the way of patronage to distribute?" (p. 330).

Hyden (1992) lucidly captures the dynamics of state and civil society in the context of structural adjustment when he writes:

In return for political acclamation and quiescence, leaders promised to improve mass living standards. But state elites ultimately violated reciprocal norms by taking arbitrary decisions, by failing to deliver goods and services and by diverting public resources to private ends. Also, the partial abdication of sovereign authority for policy-making

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<sup>18</sup> Informalisation poses a number of problems for political systems that hitherto functioned on the assumption that the formal sector was not only a motor of economic growth but an indicator and a regulator of economic performance, a means of satisfying the political expectations of significant social groups and a means of ensuring that most social and political transactions could be centrally monitored or controlled.

to the World Bank and the IMF undercut rather than bolstered political legitimacy of incumbent state elites. In such a situation, the citizens have been emboldened to exercise their rights of non-compliance: at first they disengaged by retreating into informal activities, later they re-engaged in political dialogue with the state, for instance, through popular protests.

Whether or not it was international pressure or internal pressure that finally led African governments to accept Structural Adjustment is, however, a moot point. Contrary to the popular radical view, Bratton and van De Valle (1992) say that African governments introduced economic reforms primarily in response to indigenous demands. They agree with Loewenthal's assessment in the context of Latin America and Southern Europe, namely, "although international factors may condition the course of [regime] transition, the major participants and dominant influences in every case have been national" (p. ix, 1986).<sup>19</sup> If these domestic (or civil society) forces are indeed that powerful, then what implications do the dynamics of civil society have for the continuation of structural adjustment policies and for the nature of the state in contemporary Africa?

Concerning the impact of structural adjustment programmes on the political structure of the concerned country, there are those who perceive in the economic crisis and adjustment a means for strengthening civil society, and thus democratisation - the intermediary process being economic and political informalisation (Bratton 1989, 1990; Lemarchand, 1988; Azarya and Chazan, 1987; Rothschild and Chazan, 1988; Diamond, 1988). There is an optimism about "deepening democratic traditions ensconced in local political cultures" and the emergence of "alternative institutions and patterns of interaction, separate from those that have developed in the formal arena" (p. 130; Chazan, 1988).

This is a perspective shared by the World Bank, who see SAP as strengthening civil society against the corrupt and inefficient bureaucrats and politicians who formed part of the state that oppressed civil society. However, as Beckman (1992) notes it is not so much the policies of SAP as the *reaction* of civil

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<sup>19</sup> Others who have analysed pressures from within society include Chabal (1986), Diamond, Linz and Lipset (1988) and Fatton (1990).

society to these policies that have promoted the search for indigenous methods of self-preservation and representation.

Nevertheless civil society appears to have become more active in its 'disengagement' from the state. Although the demands of various groups within it have received a better hearing through the process of 'informalisation', it is not entirely correct to conclude that this has led to 'democratisation' or even that all its effects have been positive, for power relations and exploitation may be located within civil society as well.<sup>20</sup> MacGaffey (1983) says that "the expansion of the second economy has provided a means for class formation outside the state since it offers opportunities for capital accumulation independent of the state". She goes on to note that "the various activities of the second economy has been one source of the opportunities for capital accumulation that has resulted in the emergence in recent years of a small commercial middle class of substantial business owners ... [who] have invested in productive as well as distributive enterprise and in real estate; ... enjoy a middle class lifestyle ... are giving their children a secondary and even a university education ... [and] are thus reproducing themselves as a class" (pp. 382-3).

Coming to the question of changes in political systems as a result of Structural Adjustment, it is true that a multiparty system and elections cannot really be taken as a true indicator of democracy and does not guarantee either a well-functioning polity or economic progress. In fact these failed in the early 1960s (Ghana, Nigeria, etc.) in Africa and there is little *a priori* reason to believe that they will succeed in the 1990s if just their form is adopted.

In order to answer these questions, however, one needs to see the African economic and political reality in terms of a complex set of overlapping and underdetermined structures, forces, alliances, traditions and ideologies. It takes more than conventional theoretical assumptions to understand the way gains and losses are distributed among different social groups. This study attempts to evaluate the effects of structural adjustment policies on concrete social and political structures from this

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<sup>20</sup> Thus, Lemarchand (1988) states that "class formation may also take place on a substantial scale outside the state, a point which emerges with reasonable clarity from the works of Reginald Green and Janet MacGaffey" (p. 165).

perspective in the specific context of Tanzania.

### **1.3. The Structure of the Analysis**

The analysis begins, in Chapter 2, with details of the analytical framework used to view the information gathered on the political responses of particular sections of civil society in urban Tanzania and the methodology used to elicit the responses. It also briefly explains the concentration on urban Tanzania. This is followed by a detailed introduction in Chapters 3 and 4 to the economic and political background of structural adjustment in Tanzania. This, it is felt, is essential to the understanding of the context of the political responses discussed subsequently.

The three empirical chapters of the analysis deal with three major groups within the civil society of urban Tanzania, namely, the urban lower classes - both the lower levels of government and workers in the informal sector, the bureaucracy and the intelligentsia - consisting of University staff and students as well as mediapersons. Each of these chapters begins with a brief description of the section of civil society it evaluates and the relationship of the sample canvassed to the group which it is supposed to represent. This is followed by a discussion of the specific features of the Structural Adjustment Programme that affect that category of respondents and the measures they have taken either in response to the crisis or SAP itself in terms of secondary income-generating activities. The main focus, however, is the political responses of the respondents in that particular group of urban civil society.

A final concluding chapter draws these threads together and discusses the possible implications of these responses for the future of Structural Adjustment Policies in Tanzania and for the future of the Tanzanian state.

## **Chapter 2**

### **The Frame and Method of Analysis**

#### **2.1. Introduction**

In order to evaluate the political response of urban Tanzanians to the impact of the government's policies of structural adjustment, a framework and method of analysis are necessary. This chapter discusses these and also explains the urban focus of the thesis besides presenting the methods used in collecting the data on political responses and the order of the following chapters.

The implications of the political responses can be divided into two: the impact on the capability of the government to complete the structural adjustment of the Tanzanian economy and the implications for political reform, from single-party governance to effective multipartyism. But of course economic reform, political response and political reform are dynamically inter-related, all three being influenced by the economic crisis that pre-dates the attempts at reform.

The next section discusses the urban focus of the analysis, partly justified by the fact that the 'urban bias' thesis - introduced by Lipton (1977) and applied to the African context by World Bank (1981) and Bates (1981) - is an important guide to the (anti-urban interests) orientation of SAP, and partly because finances constrained a study of rural political response. The third section discusses the appropriate framework for the analysis of the dynamic relationship between economic reform, political response and political reform. The work of Nelson (1988) and of Mosley, Harrigan and Teye (1991), highlighting the factors necessary for politically effective and sustainable structural adjustment, is the main source of the frame of analysis. The fourth section presents the methodology used in the survey of urban political responses.

## 2.2. The Political Significance of the Urban Sector

Michael Lipton's (1977) powerful polemic against the 'urban coalition' undermining development and efforts to alleviate poverty, originally in the Asian context, has influenced thinking about structural adjustment in Sub Saharan Africa. Lipton argues that the main reason why urban interests appear to benefit significantly from the development process at the expense of rural areas is because of the bias of political and economic power towards urban as opposed to rural 'class' interests. This urban bias is manifest, according to Lipton, in the form of excessive industrialisation, distorting trade regimes, failure of redistributive tax strategies, neglect of agricultural investment and virtues of primary health care compared with modern curative medicine. In an oft-quoted passage, Lipton writes: "The most important class conflict in the poor countries of the world today is not between labour and capital. Nor is it between foreign and national interests. It is between rural classes and the urban classes" (p. 12) In a more-compressed summary article in 1982, Lipton presents a most forceful case for the urban-bias thesis thus:

"In essence, the urban bias hypothesis is that the main reason why poor people stay poor in developing countries is as follows:

Small, interlocking urban elite - trade union leaders and a supporting staff of professionals, academics and intellectuals - can in a modern state substantially control the distribution of resources. In the great majority of developing countries, such urban elite spearheaded the fight against the colonising power. Partly for this reason, urban elites formed and have, since independence, dominated the institutions of independence - government, political parties, civil service, trade unions, education, business organisations and many more. But the power of the urban elite, in a modern state, is determined not by its economic role alone but by its capacity for organisation and control. Hence urban power in developing country by comparison with early modern development in England in 1740 to 1820 or somewhat later in continental Europe - has been out of all proportion to the urban share in either population or production. Rural people, while much more numerous than urban people, are also much more dispersed, poor, inarticulate and unorganised. That does not make them quiescent, but it does diffuse their conflicts. On the whole rural groups fight locally. Nationally they seek to join or to use urban power and income, not to seize that power and income for the rural sector." (p. 66)

Although Lipton acknowledges the heterogeneity within the two main concepts of his thesis, rural and urban classes - with classes in each sector treated as broad block interests - he attributes even this intra-class differentiation to the urban bias. He thus writes:

"Inequalities within rural areas also owe much to the urban-biased nature of development policies. The cities want to receive preferably food, surpluses of savings over rural investment; foreign exchange for industrial development, surplus of 'human capital' in the shape of rural born doctors, teachers, engineers and administrators, as children brought up largely at rural expense but who as adults serve largely urban needs; who, in the rural areas, can provide such surpluses? Provide a small farmer, meeting ... half his family food needs, with the extra irrigation, or improved health, or the educated knowledge, to grow more food, and his family will consume the grains. Provide similar inputs to a large farmer and the resulting output will be sold - and the receipts very probably served for re-investment in urban activities. This, too is inefficient (as well as inequitable), because it is a small farmer who saturates each acre, each kilogram of fertiliser, with more effort and thus grows more output per acre-year than the large farmer. But it is the large farmer who gets all the goodies. That is the 'urban alliance'. The towns get their cheap surpluses, food, exportables, etc., even if not made very efficiently and equitably" (Lipton, 1982, p. 68).

In essence, articulate and literate urban classes exert powerful influence to induce underdevelopment through price twists, the allocation of subsidies, credit, investment opportunities, health and education facilities.

"Resource allocations within the city and the village as well as between them reflect urban priorities rather than equity and efficiency. The damage has been increased by misguided ideological imports, liberal and Marxian, and by town's success in buying off part of the rural elite and thus fragmenting most of the cost of the process to the urban poor" (Lipton, 1976, p. 13).

Such an urban bias results in the concentration of education resources, fertiliser, health services and other farm inputs in urban areas with rural people with strong urban links also benefiting, albeit, at the expense of the urban and rural poor. It is this systematic positive bias towards the urban people that Lipton sees as the



main factor that keeps poor people poor.<sup>21</sup>

Bates (1981) further advances the work of Lipton by extending it into Africa and 'deepening' it by "concentrating more fully on the political process behind the formation of agricultural policies"<sup>22</sup> Although Bates (1981) explicitly acknowledges the influence of the external environment, he argues that the urban bias is "[significant in determining the] pattern of development in the developing countries as well as significant in shaping the impact of external environment on the structure of the local societies" (p. 8).

For Bates (1981), thus, the foremost social objective of governments in developing countries is to shift the basis of their economies away from agricultural commodities and towards the production of manufactured goods and it is this objective that strongly influences their choice of agricultural policies. Agricultural price policies and rural taxation are designed to capture resources from rural agriculture and move it into urban industry and services. This was manifest in the dirigistic state apparatus, trade and exchange control, state owned banks and industries, trading corporations with monopolies of agricultural export crops and food procurement agencies. Bates stresses the personal motive behind animate political choices. Governments, to stay in power, appease powerful urban interests - new industrialists and manufacturers and the bureaucracies that administer the market - and discriminate against rural interests via price- and income-based policies.

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<sup>21</sup> Lipton's thesis has been challenged on empirical, conceptual and theoretical grounds. Political theorists like Corbridge (1982) find the concept of urban and rural 'classes', defined on the basis of a common 'class' interest, unconvincing - since some social groups (e.g., the rural elite) could be assigned to either group in terms of 'class interest'. Dependency theorists like Wallerstein, quoted in Shaw and Grive (1977), find the lack of theoretical emphasis on external forces in the allocation of domestic resources equally unconvincing. For Griffin (1977), it is a "bizarre situation in which the people who control over half of the land in rural areas counted as beneficiaries of urban bias, whilst the people who accounted for over half of the labour force in urban areas are assigned to rural classes and suffer from urban bias" (p. 109) while, empirically, Sen (1977), Das Gupta (1977) Williams (1981) and Teye (1992) report that there are, in fact, no unified 'class' interests in the developing countries that they study. Indeed, Mitra (1977) finds evidence for a 'rural bias' in the 1960s experience of Indian development. Lipton's (1989) response, however, is that while the urban-bias hypothesis may not explain the persistence of all Third World poverty, instances where it does not are generally exceptions to the rule.

<sup>22</sup> For Bates agricultural policy consists of "governmental actions that affect the incomes of rural producers by influencing the prices these producers confront in the major markets which determine their incomes" (1981, p. 3).

Like Lipton, Bates argues that the power of the urban interests to organise and to articulate their demands works as a direct pressure on the government policy, since the high political costs of urban food price inflation forces the government to 'buy' social peace through policies to lower urban food prices. But, at the same time, returning some of the earnings from taxing agriculture to a select few in the form of farm input subsidies imposes collective deprivation while conferring selective benefits which, Bates notes like Lipton, enables the government to divide and rule the rural sector effectively.

This line of argument is also perceptible in the 1981 World Bank study entitled *Accelerated Development in Sub-Saharan Africa* (World Bank, 1981) which identifies persistent anti-agricultural bias as the 'chief policy error' of African governments and which forms the conceptual basis for the anti-urban bias evident in the design of the Structural Adjustment Programmes (SAPs) for Sub-Saharan Africa. Structural adjustment, thus, is apparently aimed at reducing rents accruing to urban interest groups and benefiting rural interest groups, wherever possible.

A focus on urban political response, thus, is perhaps more appropriate than a purely rural focus - although the best option obviously is an analysis of the responses of both rural and urban interest groups. This last, however, is outside the scope of the present study and hence the focus is on urban interest groups and their political responses.

### **2.3. Framework of analysis**

The fundamental questions of this thesis, i.e., what political responses have government policies of structural adjustment evoked in urban Tanzania and what implications do these have for further economic and political reform in the country, requires a framework or structure within which to examine the relevant factors. And it is useful in this context to look at some of the literature on this issue. Of the studies of the factors influencing the politically effective and sustained implementation of structural adjustment programmes (SAPs), Nelson (1988) and

Mosley, Harrigan and Toye (1991) (hereafter MHT) are of direct interest.<sup>23</sup> These are examined in greater detail below.

Nelson (1988), sees the political sustainability of SAPs as the dynamic outcome of three related factors:

- (a) the strength of the political leaders' commitment to the programme;
- (b) the capability of political leaders to implement reforms; and
- (c) the nature of the political response that the programme evokes from politically influential groups.

To her, these interact dynamically to influence the political consequences of the programme. Given the present emphasis on implementation, the focus will be on the first two while the extent to which the third affects the rest will be played down, for the moment. Political responses will be looked at in greater detail in a later subsection.<sup>24</sup>

It is useful to distinguish between initial and continuing commitment, the former referring to the pre-implementation period and the latter to the post-implementation period of economic reform. Initial commitment to certain or all policies of a structural adjustment programme, Nelson points out, can come from two different sorts of sources. It can be born of duress, from the desperation of a rapidly-worsening economic crisis. But such commitment will fade if any aspect of the situation becomes less desperate (such as, for example, a rise in price for a major export commodity). On the other hand, commitment can come from a positive preference by political leaders for economic reform, either because it is consistent with the leaders' own goals or ideological leanings or because they perceive that the possibility of personal or political advantage outweighs the risks of failure. Nelson thus feels that "the strength of leaders commitment is determined by the *perceived margin of advantage*, that is, the degree to which the expected results of stabilization

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<sup>23</sup> For an elaboration of the view taken by Nelson (1988), see the three volumes of a collaborative research project on the politics of adjustment published as Nelson (1989), Nelson (1990) and Haggard and Kaufman (1992). For a critical view of their analytical framework, see Jenkins (1995). These are discussed further in the concluding chapter.

<sup>24</sup> It is nonetheless true that some initial assessment of potential political response would have been made by political leaders who may have gone in for reform. The responses mentioned in (c) are therefore interim responses to the programme, before it is fully implemented, which would affect the pattern of future implementation through their impact on factors (a) and (b).

are preferred to available alternatives" (1988, p. 88, emphasis in the original).

This reasoning implies that doubts about the economic benefits of SAP measures seem to play a major role in the delay in adoption or the vacillating or half hearted implementation of measures. Scepticism on the part of political leaders - either stemming from limited understanding of the economic logic of reform measures or deep-rooted statist, anti-market biases casting doubt on the ability of the profit motive to be socially constructive, at least in the particular institutional setting - is a deterrent to strong commitment. But initial commitment alone is no guarantee of continuing commitment or of effective implementation. Both depend on the dynamic interplay of the capability of the government to implement its policies effectively and the effects that these policies have on its support base, via the political response of the public through the various interest groups and opposition parties that operate in a polity.

Given commitment, the capability of the leaders to implement reform is significantly influenced by the scope and nature of their political support base. The concept of support base is not identical with popularity, Nelson points out, since popularity fluctuates and can rise or fall whether or not SAP was pursued. For Nelson, the term refers instead to groups bound to the regime by more durable ties of ethnic identity, ideological compatibility, ingrained party loyalties and/or patron-client networks (to name the major kinds of links). Thus, while the popularity of any government broadly depends on its ability to maintain conditions under which most of the population can prosper, patron-client parties rely much more explicitly and directly on a continuing stream of favours and benefits flowing directly from the patron to his designated client, rather than reaching (all) parts of the population as a result of the impersonal operation of institutions and policies.

Every political system, including those in Africa, has its patron-client networks, although the degree of dependence varies; in some cases, it may only be a minor element while in others it may be central to the political existence of the governing elites (*inter alia* Chabal, 1992; Bayart, 1993). In countries in which the government relies heavily on patron-client ties, therefore, structural adjustment policies (particularly stringent budget discipline) that move away from direct controls and towards greater reliance on market mechanism, including more realistic pricing

among the public and parastatal sectors, therefore can adversely affect not only the general popularity of a government but at the resources needed to maintain its political support base.<sup>25</sup>

Bates (1981) lends support to this general theme by pointing out that if a politician's main means of building and maintaining support is the direction of jobs, contracts, licences, foreign exchange, subsidised goods and services and other benefits to his (or her) political friends and away from political enemies, he cannot lightly relinquish such control to price mechanisms that can not distinguish supporter from opponent. Thus, not only vested economic interests and ideological leanings but also the very structure of political support mechanism become obstacles to economic reform involving decontrol.

MHT evaluate the factors affecting the implementation of SAPs in three African countries, Kenya, Ghana and Malawi, as part of a nine-nation study from different parts of the world. From this study, they derive four distinct (but not mutually exclusive) hypotheses or factors affecting the successful implementation of SAP.

1. *Authoritarian Government* : Authoritarian governments (characterised by the lack of regular elections for representative assembly and Head of State and the non-existence of the freedoms of press and personal expression) are more likely to be strongly committed to adjustment and capable of being better performers than democratic ones.

2. *Newness of the Government* : Newly-formed governments (that is, change of political leadership before the adoption of SAP) are likely to be better adjusters than governments of long standing, reflecting the adage that 'the new broom sweeps cleanest'.

3. *Intensity of Prior Crisis* : A greater intensity of the economic crisis predating SAP (i.e., the extent of worsening of economic conditions) directly affects the adoption and implementation of reform policies, the latter being characterised by an ethos of

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<sup>25</sup> Patronage, as Chabal (1992) points out in the case of the post-colonial African state, furnished the most convenient and effective means of government but with its increased institutionalisation, it greatly reduced the scope for effective administration.

a conscious understanding of adjustment policy instead of an apathetic acceptance of government policy.

4. *The Dominance of the Pro-Reform Group* : The commitment to reform results from a struggle between pro- and anti-reform interest groups in the country, with the pro-reform (with the help of external elements like the IMF and the World Bank) becoming politically dominant.

A further factor they consider important is the competence of the bureaucracy of the government implementing reforms.

However, not all of them are unequivocally verified empirically. In the context of the study of three sub-Saharan African countries, Kenya, Malawi and Ghana, MHT find that all three are more authoritarian than democratic; all three are instances of widely ranging "newness"; and the country with the deepest economic crisis, Ghana, recorded the most success in implementing SAP. But, as the authors themselves admit, only the second appears to be true in all cases. New regimes often count on a brief "honeymoon" during which much of the public is willing to suspend adverse verdict and adopt a 'wait and see' stance towards policy changes. A broad consensus that fundamental changes are needed increases receptivity to the government technique of persuasion. Public faith in the honesty and efficiency of the government plays a major role here.

While the direct relationship between the intensity of the preceding economic crisis and the implementation of reform is reversed in the other (non-SSA) countries that MHT examine, the other two hypotheses cannot be proved or disproved even in the context of the three SSA countries that MHT examine.

For one, while Ghana does seem a strong supporting example for the link between crisis and commitment at first, even in the non-African countries that MHT discuss, the success rate was greater in countries which did not have an especially severe shock to living standards at the start of the 1980s.

Secondly, all three countries have differing degrees of authoritarianism and dictatorship, and hence the hypothesis cannot be disproved and hence tested. Thus, the view of one World Bank writer that "a courageous, ruthless and perhaps undemocratic government is required to ride roughshod over these newly created

special interest groups" (Lal, 1983, p. 33) is not empirically validated at least in the case of the three SSA countries that MHT examine.<sup>26</sup>

And lastly, while it is a tautology that commitment is born out of a political dominance by pro-reform groups within the country, the composition of the anti-reform group was surprising. MHT found that most recalcitrant vested interests in the path of economic liberalisation, which have the power to frustrate certain kinds of economic reform (e.g., maize marketing in Kenya, parastatals and large holding companies in Malawi personally owned by former President Banda), were in agriculture rather than in the industrial structure, despite the policy reform being ostensibly aimed at removing the urban biases which disadvantaged rural producers.

But an important additional factor considered by Toye (1992), is the quality of the administrative services available to the implementing government. In his general overview of structural adjustment, a visible factor determining the differences in the implementation record of governments committed to SAP was the administrative skills of the bureaucracy.

Synthesising these arguments suggests that the factors influencing the actual implementation of economic reform can be grouped into two broad categories:

- (i) factors affecting a government's initial and continuing commitment to reform - including (a) the anticipated and actual effects of reform on the political support base, more specifically, on the composition of the pro- and anti-reform interest groups within society; (b) the degree of external support, both political and financial, that the government could count on, before and during reforms; and (c) the 'newness' of the political regime; and
- (ii) factors affecting government capability - including the feedback effects on the government's support base of the implementation of the policies, the external support base, the skills and efficiency of the bureaucracy, and/or an authoritarian regime.

The overlap of certain factors into both categories is because these factors

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<sup>26</sup> Diamond 1988, p.25 points out that "authoritarian regimes have been no more (often less) effective than democratic ones" and goes on to say that authoritarianism has been "repeatedly rejected" as a "premise of government" (p. 26).

affect *both* government commitment and government capability. Without domestic political support for continuing reforms, for instance, a government may not be able to either commit itself to reform or carry out such reforms effectively. Whether or not these are necessary or sufficient factors (conditions) for commitment or capability, however, is entirely dependent on the contemporary political context.

There thus appear to be five basic elements of a (dynamic) framework for the present analysis:

1. the factors determining the implementation of the various government policies of structural adjustment, which, in turn, determines the actual impact of such policies on the public at large;
2. the factors determining the perceived impact of SAP measures, including actual impact and the subjective evaluation of impacts on other groups;
3. the varying capacity to translate such perceptions into political action - which ultimately determines political response;
4. the likely outcomes of the feedback impact of the political response of the public on the implementation of future policies of structural adjustment
5. the implications of these political responses for the nature of the political process itself.

In the present context only the last four facets are of direct importance, since the implementation of policy itself is taken as the starting point for the field survey. The question of urban political responses and their possible implications for SAP and for the nature of state-society relations is dealt with in greater detail below.

#### 2.3.1. Determinants of Political Response

While the actual policies implemented may be evaluated in terms of their relation to targets or the problems they were designed to overcome, evaluating the political response of the public to these policies is a much more complex task. There are two essential complications. First, the implications of actually implemented and potential policies of structural adjustment vary across individual and social groups, not only in actual fact but also in terms of perceptions. Such perceptions are



subjective, being influenced by a variety of factors, which make evaluations of the impact of the policies of structural adjustment extremely difficult. Second, even if the perceived impacts were uniform across a set of individuals or groups of individuals, the actual political response that results may vary widely, due to differences in potential for political expression. Together, they make causal connections between impact and response extremely difficult.

But some analysis of possible political response is necessary. And it is true that the basic measure is the extent to which social groups gain or lose, or at least stand to gain or lose. Prediction on the basis of available information, at least within broad limits, is necessary and possible. Only, the margin of error must not be understated. The analyses of this thesis are based on this understanding and the rest of this sub-section is devoted to detailing the problems that can beset such an analysis and the manner in which they have been dealt with.

*Differential Impact and its Perception* : While structural adjustment programmes are specified on the basis of individual policies, the impacts of these are extremely difficult to determine for a particular individual or social group, for several reasons. First, different aspects of the package can bear differently on the same group. Also, effects may cumulate for some groups, for example, civil servants may face simultaneously increased prices for imported consumer goods due to devaluation, declining real wages due to wage freezes, cuts in prerequisites due to budget reductions, and frustrating shortages of funds and inputs for the particular SAP measures for which they are responsible. Third, the impacts of SAPs on other groups may partly offset one another. For instance the producers of export crops may gain from an increased external demand for their products but may also have to pay more for imported fertilizers and pesticides - both effects resulting from devaluation.

Fourthly, the time frame of impact is important. There are measures that particularly hit some groups of people in a prompt and a manifest way while benefiting others in an indirect and diffuse sort of way. For instance reduced protection against imports may put high-cost indigenous producers out of business. On the other hand direct gains to consumers and to firms that need the products as

inputs to their production (hence to workers in such firms and to purchasers of their products) are much more dispersed, partly incidental and partly delayed.

But there is no reason why gains or losses need only be monetary. For some groups, gains and/or losses may not be primarily material but may involve power and authority, security, autonomy, or relative status. Next, the perception and interpretation of the individuals also shape their reactions. Nelson (1988) discusses four factors that influence the subjective assessment of the impact of structural adjustment policies:

- 1) the attribution for responsibility for losses (or gains) to such forces as government, foreign creditor, or fate (which can include phenomena such as, droughts, floods and other natural calamities);
- 2) the expected duration of losses, whether short-, medium-, or long-term;
- 3) the degree of confidence that policies will help to solve economic problems; and
- 4) the perceived equity of impact among classes and, in many countries, among ethnic groups and/or region.

A sustained sacrifice from the public at large and a positive response from the private sector entrepreneurs depend on the perception that the program is working. Ministry of Finance and Central Bank officials focus on cuts in public sector and trade deficits, reduced arrears in payments on foreign obligations, and/or increased international reserves. Large and medium sized businesses and the private financial community look at the same indicators. Small firms are more likely to direct their attention to more immediate tangible concerns, like availability of credit and foreign exchange for imported inputs. Workers and consumers' criterion is the improvements affecting their daily lives, for example, availability of staples (maize), soaps, textiles, simple medicines, more earning opportunity in the informal sector, and regular transport service (buses).

Finally, since governments almost invariably pursue the various elements of the SAP policy packages unevenly, gauging implementation raises tricky issues of weighting.

But the basic point is that there is no *clear* one-to-one correspondence

between the effects of actual policies and perceived impact, as there is not between perceived impact and political response.<sup>27</sup> Yet an essential starting point to comprehend political reactions to SAPs is a rough assessment of gaining and losing groups.

*Political Responses to Policy Reform* : The main interest of the present analysis is how urban Tanzanians feel about SAP and what they do about it. Just as what they feel about SAP can be influenced by a variety of factors, what they do about how they feel depends on another range of factors, an important consideration being their differing capabilities for effective political action. For, even individuals and groups conscious of their shared interest and to some degree organised may lack adequate political resources - including information and contacts, control over economic and other assets, numbers, discipline as well as sympathy and support from a wider public - to register a politically significant influence.

But an important consideration before discussing the factors influencing political response to government policies of structural adjustment is the notion of 'group' interests. As seen earlier, Lipton's use of the term 'class' in outlining his concept of urban bias and his sharp critique of the 'urban coalition' has itself been widely criticised in the literature. The criticism has been directed not only towards the formation and existence of such an urban coalition manipulating an urban bias

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<sup>27</sup> Further, in terms of gainers and losers, a case in point is the equity-based argument made in favour of Structural Adjustment, i.e., its claim to improve income distribution, more to strengthen the case than to clinch it. Apart from the fact that factors like interdependence of formal and parallel markets make it hard to quantify the distributional effects, MHT find in their nine-nation study that, in qualitative terms, it is unconvincing. They point to rural groups who do not stand to gain, like small crop farmers and female agricultural labour who work for wages, as well as urban groups which stand to lose - affected by government lay-offs and rising consumer goods prices - including the urban poor (who often move back silently to join the rural poor rather than benefit from the few public works projects laid on to soften the blow of adjustment). Commenting upon the Ghana living standards survey (in 1987) - where not only over 80% of the lowest quantile of income earners were found to live in rural areas, but so also were 40% of the highest quantile - Loxley (1991) remarks that "when combined with other information from this survey, these data caution one against generalising simplistically [*ex ante*] about urban/rural distributional impacts of adjustment programmes". But these calculations of political gains and losses were not made by the governments themselves but by the promoting agencies. Toye (1992) writes that "explicit political calculation seems to be largely absent from the [IMF's] programmes". Thus, while SAPs were not designed to compensate those who were losers in the policy changes, such compensation had to be politically engineered by the implementing governments to ensure the acceptability of the package by the various interest groups that operated and who were sometimes crucial to the government's own political support base.

but also towards the direction of such a bias (see footnote 1).

In their more recent study of structurally adjusting developing countries, MHT find no rural or urban interests operating through homogeneous well-functioning interest groups.<sup>28</sup> For them, large farmers in rural areas can and do organise but only to help themselves rather than small family farms, or the landless wage workers constituting the poor or the very poor. MHT point out that sometimes the large farmers (as in Malawi) help themselves at the expense of the poor smallholders. Thus, they conclude that, generally, gainers are organised to support reform, but typically farmers as a whole in developing countries do not constitute an organised or powerful (vested) interest group.

And in urban areas, MHT conclude that industrialists also do not constitute a united interest group (e.g., in matters of trade policy), for, supporters of industry are too divided to agree on how and where to create rents and have united mainly to support import liberalisation. Toye (1992) also finds the absence of clear evidence of the ways in which urban people operate politically as an interest group.

MHT suggest that, instead of looking for 'urban coalitions' and interest groups to hang the development of *dirigisme*, it is more plausible to view this as the product of centrally-directed patronage politics. 'Dirigisme', to them, results from an active search by government leaders for support - which may build up either in the urban or in the rural sector.<sup>29</sup> Such patron-client networks are the focus of the study of 'governance', which is dealt with in greater detail in the following subsection.

But the point here is simply that interest groups may be too rigid a term to use for the actual phenomenon of individuals gathering under a banner of common interest vis-a-vis another group of individuals or the government. Rather, it may be more appropriate to view these as flexible social amalgams, which form and re-form as the lines of conflicting interests are re-drawn. The term 'interest group' is henceforth used in this context-based sense.

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<sup>28</sup> Loxley (1991, p. 41) also feels that the rural sector is highly heterogeneous in its economic and social set up and casts serious doubt on the notion of the rural sector as a unified interest group.

<sup>29</sup> See Sandbrook (1986), for the idea that such development is a "top-down" rather than "bottom-up" phenomenon.

In the case of structural adjustment, the backdrop of economic crisis and the new austerity measures combine to distribute economic hardship and political discontent across society. A broad swathe of the "popular sectors," including industrial and informal sector workers, small merchants, and the large and growing body of poorly- paid public and private sector service and white collar workers share many interests. Moreover many households include formal and informal sector workers, further intermingling their concerns. In such circumstances, large-scale protests could break out with the original supporting groups being joined en route by individuals from a broad spectrum of urban and rural occupational and economic strata. Food riots caused by major cuts in food subsidies - as witnessed in Cairo in 1979, and Tunisia, Morocco, and Dominican Republic in 1984 as also in Chile and Zambia in 1986 (where the December 1986 maize price riots were spearheaded by mine workers but joined by many from other social classes in the cities) - are a case in point.

Thus, even if well-defined coalitions of interest groups are hard to find, it is nonetheless true that individuals can unite to express collective political responses to the adverse impacts of a policy or a set of policies. And this seems to be the sort of response that structural adjustment policies seem to have thrown up so far. But then there are several factors that mitigate or enhance such political expression.

At least three factors affect the actual political response of the public even after they form an interest group. The first is access to political resources (which was mentioned earlier). The second is a more elusive, but perhaps more important, factor highlighted by Nelson (1988) - the public mood with respect to economic policies. A public mood prepared for economic reform improves the prospects for temporary toleration of austerity, a grace period during which the government has a provisional grant of confidence. Such a mood is also likely to constrain protest by specific groups that might otherwise create serious problems.

The third is the availability of political space. MHT point out that the degree to which groups can mobilise themselves is only part of the explanation of the effectiveness of an interest group in influencing SAP. This is because a country without a free legislature, free press and normal liberal civil rights is much less open to interest group influence than one with 'thicker' or 'denser' institutions in society.

For example, in Ghana there has been a decline in the avenues for interest groups' sphere of action but this does not mean that authoritarian regimes are more effective as economic reformers. It just implies that the power to subvert economic reforms is concentrated at the highest levels of the state.

Once the actual political response is determined, the next step is to analyse the possible consequences for further economic and political reform of such political responses to the government policies of structural adjustment implemented so far.

### 2.3.3. Feedback Impacts of Political Responses on Reform

There are perhaps two aspects to the political responses of citizens to the policies of reform implemented by the government. First, the anticipated political response, evaluated even before the policy is implemented; and second, the actual political response that results from those policies.

In the case of Structural Adjustment, it is clear that a government will commit itself to reform only if it is either forced to - recognising painfully that the economic and political costs of failure to act are probably greater than the cost of action - or if it perceives a 'margin of advantage' (Nelson, 1988). The political cost of such action is usually that the public is likely to attribute to the government the responsibility for economic hardships that would have occurred (perhaps even more acutely) in the absence of these policies. For this reason, politicians are likely to view adoption of SAP measures as accelerating or accentuating public reaction to economic hardship and focusing those reactions on the government itself instead of on exogenous forces such as 'insatiable' foreign creditors.

Even if it decides that the political benefits are worth the costs, and opts for reform, the actual political response could be substantially greater than those anticipated. Such an outcome could have serious consequences for the political legitimacy of the government possibly leading even to a fall from power. The crucial factor here is the actual political response that the implemented reforms elicit from politically formidable groups - such as civil servants, military officials, organised

labour, teachers, professionals and university students.<sup>30</sup>

The core political problem with a Structural Adjustment Programme that must be sustained over several years is usually that these groups are precisely those that must bear substantial losses. These are the groups whose living standards have moved out of line, most seriously, with what the country can afford. A great deal of burden is put on bureaucratic capabilities to plan and implement reforms, even when some of these reforms are intended to reduce government intervention in the economy. Both the public and private sector are insufficiently trained or experienced as entrepreneurs to take charge of the transformation into a market-based economy. SAP thus generates an atmosphere straining the very limits of managerial capacity. Adopting SAP could, therefore, intensify the political risks inherent in an already tight economic situation. This adverse political response could ignite political opposition not only on grounds of increasing economic hardship, but also on ideological grounds related to 'external manipulation' and 'government capitulation'.

This could be one explanation for the activities of a government that decides to opt for SAP and then target politically powerful categories of people, both within and outside the state sectors, for the most vigorous explanation and nationalistic (patriotic) appeals. For if actual exceeds anticipated political response to the extent that it undermines the government's political support base, it could well lose power due to its adoption of the economically rigorous SAP.

This is all the more reason to view political responses within the context of 'governance', i.e., the dynamic relationship between rulers and ruled (Hyden; see Chapter 1, section 1.1).

To summarise, the analytical framework to be used in the subsequent chapters of this thesis is as follows. The factors determining the implementation of reforms, i.e., those determining government commitment and capability, are only discussed briefly in Chapters 3 and 4, with attention being focused on the political responses of different groups in society to the policies already implemented. On the

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<sup>30</sup> The term interest groups often connotes private sector groups. In less developed countries, these may not be organised or influential enough to exert much pressure. However, civil servants and officials of public corporations - including the military - constitute potentially crucial interest groups, not only because of their organizational awareness and control over important assets but also because of the absence of powerful private interest groups.

basis of these, the possible implications for future economic and political reform are discussed, keeping in mind the fact that the government and the various interest groups in society are engaged in a dynamic political dialogue.

The next section details the methodology used in collecting data on urban political responses in Tanzania.

## **2.4. Methodology**

Three aspects of the methods used to collect the data are discussed in the following sub-sections: Firstly the characteristics of the sample vis-a-vis the population of respondents and in relation to the purposes of the present study; secondly the format used in data collection; and finally the biases inherent in the sample.

### **2.4.1. The Sample of Respondents**

The present analysis examines urban political response in three of the largest urban centres of Tanzania - Dar-es-Salaam, Dodoma and Arusha - and was carried out between March and August 1992. These three urban centres are in coastal, central and northern Tanzania, respectively, and are important for several different reasons. Dar-es-Salaam is the present capital and the main centre of coastal entrepot trade. Dodoma, set in the arid central zone of the country, is the future capital of the country and already houses many of the important government offices (such as the Prime Minister's Secretariat). And Arusha on the north-eastern border with Kenya is the major tourist town of the country, the starting point of safaris into the important national parks, including Serengeti (the world's largest safari park) and Ngorongoro (the world's largest intact volcanic crater).

The sample of urban political respondents are broadly divided into three: (1) the urban informal sector, including petty shopkeepers, street vendors and transport operators), lower sections of administration (secretaries and other clerical staff); (2) political and party functionaries (i.e., from the CCM), trade unionists and bureaucrats - civil servants and other officials in government offices, banks and



parastatal organisations at the national and regional levels; and (3) the intelligentsia, in the form of staff and students (drawn largely from the University of Dar-es-Salaam) and the media. The following Table give a category-wise breakdown of the sample.

**Table 2.1 : Sample Description**

<b>Specific Categories</b>	<b>Description</b>	<b>Dar-es-Salaam</b>	<b>Dodoma</b>	<b>Arusha</b>	<b>Total</b>
Urban Lower Classes	Informal self-employed	40	20	26	86
	Lower Echelons of Administration	21	12	14	47
Intelligentsia	University Students	40	7	10	57
	University Teaching Staff	12	-	-	12
	Mediapersons	5	-	-	5
Bureaucracy	Regional and Central Government Officials	12	8	8	28
Political & Party Functionaries	Party Leadership	21	10	8	39
	Trade Unions	8	6	6	20
<b>TOTALS</b>		<b>159</b>	<b>63</b>	<b>72</b>	<b>294</b>

The sample could, in theory, be further delineated in terms of criteria like sex, age, social status and income groups, but some criteria do not seem to be strong delineators in the case of our sample.

Of the total of 294 respondents, about 37% of the respondents are women, 72% of whom are from the informal services sector (mainly market women, hair-braiders, bar-keepers, etc.), the rest being from party cells, lower echelons of administration (e.g., secretaries, personal assistants) and from the intelligentsia. Interestingly, women were conspicuous by their absence in the bureaucracy.

Age-wise, there is a considerable difference in the sample respondents although within specific categories, the age-differential varied. While the bureaucrats were largely between 40 and 55, political leaders were between 30 and 50. The teaching community was generally younger, from about 35 to 45 with the students of course being younger (although they appeared older than the average in most

western Universities). The lower echelons of administration were between 25 and 35, although the informal sector workers ranged widely from 15 up to around 50. The effect of these age differentials on the responses could not, however, be explicitly accounted for.

No distinction is made on the basis of ethnic origin because family, village, church and national identities have served to make Tanzania an ethnically homogeneous nation.<sup>31</sup> Although there are more than 120 different ethnic groups and cultures, ties of language, political ideology and now familyhood (with a high rate of ethnic inter-marriage) have dissolved the ethnic boundaries between tribes and cultures and it is relatively well-known now there are hardly any regional concentrations of ethnic groups (see, for example, Hyden, 1968).

Income differentials and social stratification also did not appear to be substantial, but there would appear to be a demarcation between the intelligentsia and the political & party functionaries on the one hand and the lower administrative classes and (purely) informal sector workers on the other.<sup>32</sup> While the opportunities of academic privileges like subsidised housing and foreign travel would be the obvious source for the improvements in lifestyle for the intelligentsia, it must be stressed that a more important factor than mere formal income earnings is the increased opportunities for informal activities and the differential access to such opportunities (i.e., those with more initial resources could embark on more paying side-line activities) that have arisen with the rise of the informal economy (as described in the previous chapter).

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<sup>31</sup> Hyden's description of the design of questions for his survey between 1964 and 1965 is especially illuminating considering the period: "When structuring these questions, however, we only used those alternatives, which had been offered to us in the course of the pre-testing, in order to avoid the creation of alternatives, which did not exist in the minds of the interviewees. We wanted, for instance, to know which institutions in society that the adults considered most important for which they wanted to teach their children to work. The answers which came out in the course of the pre-testing indicated "the nation", "the family", "the village" and "the church". No mentioning was made of "the tribe" or the "chiefdom" (1968, p. 261).

<sup>32</sup> This seems to accord with findings concerning income differentials in the country as a whole. The ratio of income disparities having reduced from 27 : 1 to 9 : 1 in the mid 1980s - in contrast to neighbouring Kenya where it stood at 40 : 1 at the end of the same period (Cheru, 1989, p. 46).

#### 2.4.2. Data Collection Methods

In gathering information on political response, three methods were used. First, informal open-ended personal interviews and conversations with various strata/categories of urban dwellers structured around a set of questions (a complete questionnaire-based approach would have necessitated further complications regarding government research clearance). Second, Presidential Commission Reports, other government reports and pamphlets, and research publications by the Economic Research Bureau (ERB), Planning Commission and the University of Dar-es-Salaam - such as the Tanzania Economic Trends (hereafter TET), *Uchumi* (in Kiswahili), UDASA Newsletters, *Tamuli* etc. And third, national and local daily newspapers, the *Daily News*, *Business Times* and *Family Mirror*, from January 1990 to August 1992.

Survey interviews in the University of Dar-es-Salaam served as a pilot study. On an average, due to proximity, all in the campus, about 4-5 interviews could be conducted in a day, each lasting between 20-25 minutes for the younger respondents and over 45 minutes for older respondents (who hedged and clarified their stance time and again before answering the question in full). But stress was laid on the fact that the first meaningful reaction would be recorded and not changes in the original answer, unless they had not comprehended the question itself the first time around.

Many informal conversations with staff at the Eastern and Southern African Universities Research Programme (ESAURP) and those from the University of Dar-es-Salaam added information and insights prior to the actual interviews. Professor Maliyamkono at ESAURP provided the initial link and also acted as mediator in the process of gaining a formal research clearance. Interacting with many of the ESAURP researchers informally was quite fruitful and being affiliated to Professor Mohammed Halfani at the Institute of Development Studies (IDS), University of Dar-es-Salaam, facilitated contact with other University departments like Political Science and Economics.

Thereafter, interviews were conducted in the three towns of Dar-es-Salaam, Arusha and Dodoma. Nearly all interviews of bureaucrats were conducted in fairly open-ended and informal though confidential manner since the interviewees preferred

to remain anonymous. Although this procedure does not appear to be common in political science, in comparison to cultural anthropology - where it is accepted practice, it was done because the nature of the issues being discussed warranted some protection of respondents' identity.

The questions spanned three sets of issues: the changes in the household economic situation of this group in the period post-SAP (i.e., post 1986); the measures undertaken as part of the recent liberalisation ; and attitudes towards the CCM and towards the idea of a change in the political system. The responses to these questions (and related extended questions) and personal observations have been coupled with relevant literature on similar trends observed in urban Tanzania to present an overview of the activities and political response of this category.

The distinction between direct and indirect impacts, although understandable in abstract theoretical terms is somewhat more difficult to maintain in actual interviews. Responses to specific SAP measures are conditioned as much as by the direct impact, i.e., the impact on personal economic situations, as by a more removed third-party view of the SAP measure, i.e., the impact on the welfare of other members of society - including, the point of view of others within the same peer group, of people in other sectors of the economy, or even that of the government and the nation as a whole. Consequently, no rigid distinction is made between responses to direct impacts and those to the wider and more indirect impacts of the various SAP measures discussed.

Eight measures of SAP are discussed: (1) the increase in the price of essential commodities; (2) and (3) the increased and easy availability of foreign commodities; (4) the easy availability of second-hand clothing; (5) the imposition of user fees for education; (6) government control of salaries; (7) the creation of private property rights in land; and (8) the formation of new cooperative societies.

Official timings dictated the scheduling of most interviews. Government officials could be contacted only during the official working hours - from 7.00 a.m to 2.00 p.m. - party and trade union personnel, shopkeepers and other employees could be found almost all day and till late in the evening. One consequence of this varied accessibility is that the number of respondents in each category is not the

same.

But whereas the routine in the University was more flexible in general because of the proximity of research subjects and the informality of the interviews, the interview schedules in the case of the other categories of respondents was often forced into flexibility because of the rather cavalier attitude to appointment times that characterised government offices in urban Tanzania (although it might be fair to say that this is common to most government offices). Despite prior appointments, therefore, contingency schedules had to be drawn up almost always and frequently an interview was possible only after 2 or 3 appointments had been made (and cancelled). In general, interviews lasted from between 30 minutes to an hour.

A general difficulty was that despite being hospitable and willing to spend time, many of the respondents were unwilling to discuss political issues and especially to commit themselves on any of these. In the case of many respondents in the informal sector as well as the lower echelons of the administration, a local CCM 'ten-cell' leader had to be found to set up the interview with the members of the cell so as to enhance and facilitate the credibility of the investigation following initial experiences without such a leader and consequent problems.

The second source of data, government reports and other publications of research and University bodies, are available in full only from either the source of publication or certain research institutions in Tanzania, such as ESAURP and IDS.

Newspapers and government reports were also difficult to procure both in Tanzania and thereafter in London. In Tanzania, the only sources of back issues of newspapers were the archives of the newspapers themselves and although access was possible (though difficult), no photocopying facilities were available. Strangely enough, the Kenyan national daily newspaper *The Daily Nation* was more accessible in Arusha than the local Tanzanian papers. Back in London, the only source of these newspapers appears to be the Tanzanian High Commission where some limited issues are available (albeit not on loan) and, again, no photocopying was permitted.

#### 2.4.3. Biases Implicit in the Analysis

A lack of experience of field work in Africa as well as time and financial

constraints prevented any more scientific selection of respondents. The sample, therefore, is not unbiased but perhaps this is not so unusual. All that can really be said in its defence is that the effort of getting rid of these biases was considerably more than what the available resources of time, effort and finances would permit. Yet, in order to place this data on urban political responses in perspective, the sources of bias must be clearly stated.

First, despite the theoretical justifications for concentrating on urban Tanzania rather than on rural Tanzania, it is true that only about 20% of the population lives in urban areas (Tanzania, 1988). But, outside the party network, the nucleus of almost all (other) political activity is in urban areas - including the headquarters of the largest rural citizen's organisation, the Tanganyikan Farmers' Association (in Arusha). Trade union activity, universities and government offices are all concentrated in the three towns of Dar-es-Salaam, Arusha and Dodoma. In terms of size, however, Dar-es-Salaam is by far the largest, with an estimated population of 1 million in 1985 (Buren, 1993). Although there are townships larger in size than both Arusha and Dodoma, these two are distinguished by the concentration of government offices, national and local organisations and/or business interests.

Second, even the reasonably large sample of 294 urban respondents is not statistically random, in the pure sense of the concept, but is probably as random as is possible in such interview-based data gathering, given the constraints that were present.<sup>33</sup> Although the sample represents most of the major political interest groups in urban Tanzania, the civil service, the bureaucracy, public sector officials, professionals, University teachers and students - in itself a fairly broad cross-section of the urban population - it is by no means a complete survey of even the total number of urban groups that actually exist. The most important omission is of course the military.

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<sup>33</sup> A statistically random sample refers to a sample selected from a population using a procedure or criterion that ensures that every individual in the population has an equal chance of being selected. This ensures a fair and unbiased representation of all groups within the population. While with secondary data, based on exhaustive coverage of the population (like the Census) a random sample can be picked using either a computer programme or a random number table, this is not possible when selecting a sample from primary data. At best the researcher can hope to eliminate obvious biases and aim for as representative a cross-section of the population as possible.



Thirdly, within these categories, the selection of respondents was constrained by the availability, willingness to respond and the ability to communicate in English. But given the impressive record in mass education (see section 6.2 below), and the fact that English is the second language (after kiswahili) in most schools (if not the medium of instruction) the use of English in conducting interviews may not be as large a source of bias as in other contexts.

The availability of respondents and their willingness to respond, however, are perhaps universal features of interview-based data collection and there is little that can be done to remedy the bias that it naturally carries.

## Chapter 3

### The Political and Economic Context of Liberalisation in Tanzania

#### 3.1. Introduction

The political and economic background to the major changes in the development strategy of Tanzania,<sup>34</sup> such as the liberalisation measures of the IMF-sponsored economic reform being implemented since 1986, is crucial to any evaluation of public and governmental responses to such measures. This chapter briefly goes over the main political and economic factors that affected Tanzanian post-colonial development until the early 1980s, in particular, the deliberate attempt to extend the control of the state over the economy and civil society since 1967 and the various internal and external factors that led to the economic crisis beginning in the late 1970s.

Tanzania was the second poorest nation in the world at the time of political independence and had an extensive bureaucratic structure in keeping with its colonial pattern of development. The political and economic structures that the newly-independent nation inherited from its colonial past, and the main features of its early years of development, are briefly described in the following section (section 3.2). The impact on the economy and the polity of the formal adoption in 1967 of the ideology of *ujamaa* by the single-party state under President and Party Chairman Julius Nyerere is briefly discussed in section 3.3. In particular, this section points out the strong nexus between party and state that developed, almost as a consequence of the single-party state, and traces the subsequent extension of state control over various economic, political and social institutions of the country until the attempts in the early 1980s to reduce the state's role in public decision-making.

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<sup>34</sup> The country became independent Tanganyika in 1961 and after it merged with Zanzibar in 1964 it came to be known as the United Republic of Tanzania. All references to 'Tanzania' in the text, however, pertain to the mainland, unless otherwise mentioned.



The performance of the development strategies adopted by the single-party state is mixed, with a positive above-average performance in the years until 1977 and a sharp deterioration thereafter. The causes for this decline have been extensively debated and analysts have placed differing emphasis on the internal and external factors that are understood to have contributed to this crisis. The economic decline and its causes are discussed briefly in the fourth section (section 3.4). The final section outlines an important consequence of the economic crisis, the enormous growth of informal sector activity, of the parallel or second economy. A concluding section ends the chapter.

### **3.2. From Independence to Arusha (1961 to 1967)**

At Independence, Tanzania inherited a large bureaucracy and a legacy of extensive state intervention in domestic market activity. This was based on the view that the government had to provide social and economic infrastructural facilities, and an atmosphere conducive to private investment in agriculture and industry. But industries were poorly developed at Independence and what existed either processed agricultural commodities for export or produced simple consumer goods for the economy (Skarstein and Wangwe, 1986)<sup>35</sup> This was not only because Tanzania lacked an indigenous capitalist class to engage in such industrial development, but also because most industrial investment was attracted to the 'neighbouring periphery-centre' Kenya (Rweyemamu, 1973; Skarstein and Wangwe, 1986).

Agricultural development in the late colonial period had been organised according to two parallel approaches, the 'progressive farmer' approach, and the 'transformation' approach. The former was commissioned by a visiting World Bank Mission on the eve of Independence, and gave priority to the allocation of resources

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<sup>35</sup> Skarstein and Wangwe (1986, p. 2), note that there were only 20 establishments employing 10 persons or more and owning fixed assets worth Tsh 20,000 or more. And further, that these, employing a total of 20,000 persons, could cater for the livelihood of only about 1% of the population in 1962 while contributing only about 4 percent of GDP.

to those areas, crops and people that promised greatest return.<sup>36</sup> The "transformation" approach on the other hand sought to promote the introduction of new techniques by moving people into empty but fertile land, on the assumption that they would be prone to change when finding themselves in new surroundings. As a result, these new settlements absorbed substantial capital and manpower resources without yielding the expected returns, and without settlers developing a perspective of these schemes as their own (Hedlund and Lundahl, 1989).

The government at Independence adopted a strategy of import-substituting industrialization, but only to produce simple consumer goods indigenously, on the advice of the World Bank (1961) and an expert economic assessment.<sup>37</sup> From 1961 to 1967, through the Three Year Plan (1961 to 1964) and the First Five Year Plan (to run from 1964 to 1969, but aborted in 1967), the economy continued along colonial lines with little change. The first five year plan, which was supposed to cover the period from 1964 to 1969, resembled that of neighbouring Kenya (Hedlund and Lundahl, 1989). It was the work of a small group of expatriate (French) planners and many failures had resulted from an absence of strong political structure in which the planning process could be embedded (Bienen, 1967 and Leys, 1969). It lacked political direction, was rushed into existence, and had to be substantially revised (Hyden, 1979).

The colonial pattern of agricultural policy continued till 1967, when the first five-year plan adopted the World Bank's "transformation approach" as a strategy of agricultural development (World Bank 1961). However, the objective of setting up modern African farms in newly-opened settlements proved to be an expensive failure and was publicly abandoned in 1966 (Duignan and Jackson, 1986, p. 211). There was little significant technological transformation, and the agricultural performance recorded was mainly the result of an increase in the acreage of export crops by small-holder farmers (Coulson, 1982). The early path, thus, had been "a classic case of neoclassical export-oriented 'dual economy'" (Temu, 1979, p. 200).

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<sup>36</sup> Temu (1979, p. 199) notes that the Mission (see World Bank, 1961) blamed the deficient extension services and extreme conservatism of the peasants for the agricultural stagnation. Cliffe (1971), to the contrary, refers to this conservatism as "healthy scepticism" on the part of the peasants.

<sup>37</sup> This was by Arthur D. Little in 1961. See Skarstein and Wangwe (1986).

During this period, however, the economy grew at an average rate of over 6 percent per year (Hodd, 1986, Table 1, p. 12) with per capita output increasing by about 5 percent per annum. While the agricultural production was generally favourable, it was the performance of the industrial sector that was most impressive. Value added in manufacturing increased by over 200 percent (Skarstein, 1986, Table 1.2, p. 10) while the share of manufacturing in GDP nearly doubled from 4 to 7.5 percent (Leys, 1973). This phenomenal growth has been attributed to a variety of factors including, tax incentives, guaranteeing against nationalisation, establishing industrial estates and the publicity given to investment opportunities (*inter alia*, Skarstein, and Wangwe, 1986; Hedlund and Lundahl, 1989). Further, the impressive agricultural and industrial output in the first five years was attained without inflation or balance of payments disequilibrium (Lipumba, 1989).

This development path, however, ran counter to Nyerere's notion of *ujamaa* socialism (Nyerere, 1962; discussed in greater detail in the next section).<sup>38</sup> Nyerere was not concerned so much about the amount of output generated as much as the extent to which such production depended on the external economy and the manner in which it was produced and distributed.

Politically, Tanzania was a one-party state, under the control of the party under which Tanganyika had gained independence and of which Nyerere was Chairman, the Tanganyikan African National Union (TANU). The *de facto* monopoly of TANU over political space in the new state had been ratified early, with Nyerere's call in 1962 for the adoption of a one-party state to foster unity and development within the country. This led to a Presidential Commission for a one-party political system in January 1963 "to give statutory recognition to the one-party system of government in Tanganyika".<sup>39</sup> Nyerere considered a single-party political system the best means to achieve *ujamaa* socialism, although the procedure adopted

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<sup>38</sup> Although the idea of *ujamaa* had ushered in as early as in 1962, there followed a separation of *de facto* ideology from practical policy since the implementation of Nyerere's programme meant a complete reversal of existing trends.

<sup>39</sup> The meeting of the National Executive Committee of TANU (10th-14th January 1963) authorised the President to set up a commission for a one-party which the Annual Conference of TANU endorsed on the 16th of January 1963 (Msekwa, 1975, pp. 35-47).

to legitimise such a system has been criticised.<sup>40</sup> As a result, in the Interim Constitution of 1965, Tanzania - after the merger between the Union of Tanganyika and Zanzibar - became a one-party state.

### 3.3. *Ujamaa* and Statism

In practice, *ujamaa* socialism in Tanzania meant extensive state involvement in both economy and society. These have had various effects, including economic inefficiency and a high degree of import-dependence which, among others, have been held up as causes for the economic crisis that set in during the late 1970s. The first sub-section outlines the concept of *ujamaa* socialism and its reliance on strong party and state control. The second and third discuss the major institutional changes caused in civil society and the economy, respectively, by efforts to achieve the goals of adoption of *ujamaa* socialism.

#### 3.3.1. *Ujamaa* and the Arusha Declaration

Inspired by the presumed egalitarian character of the traditional African peasant community, Nyerere sought to develop post-colonial Tanzania along the lines of *ujamaa* socialism. The concept of *ujamaa* (which means 'familyhood' in kiswahili) was thus based on the central principles of shared work and capital and egalitarian distribution, or, in more socialist terms, 'mass participation', 'commonly owned means of production' and 'equality in distribution' (Nyerere, 1962).<sup>41</sup> The interpretation of socialism was particular to Nyerere, however, who considered it native to Africa and, in contrast to the traditional Marxist emphasis on the formal

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<sup>40</sup> Msekwa (1975) notes that "the discussion leading to the decision to establish a one-party democracy in Tanzania was completely internalised within the party and there do not appear to have been any extra-party forces of influence involved" and also, "a general public discussion invited by the Presidential Commission came only after the Party had made the decision...".

<sup>41</sup> For a variety of interpretations of *ujamaa* socialism, see Saul (1972), Parker (1972), Hill (1975), Shivji (1976), Mueller (1980), Babu (1981), Cliffe and Mohiddin (1981) and Young (1982).

means of production, focused on the inherent qualities of the individual.<sup>42</sup> *Ujamaa* socialism, thus, emphasised the absence of class divisions, the sharing of work, land and assets on a basis of equality and need, underlined the respect for others, the importance of common property and the common obligation to work. The goal of socio-economic development in Tanzania, to Nyerere, was to restore in modern form the traditional African society - or 'modernisation by traditionalisation' (Mushi, 1971). Self-reliance was a conscious choice in the light of the international context of post-colonial development. The new Tanzanian nation, thus, could become, with suitable plans and policies, the traditional African family and community writ large - the *ujamaa*.

To Nyerere, the (single-party) state guided by the ideology of *ujamaa* socialism was the natural vehicle for this transformation. Such use of an inherited capitalist state structure to effect a socialist transformation, it has been argued, indicates that Nyerere had "failed to address himself to the question of the state" (Othman, 1988, p. 163).<sup>43</sup> Political unity was crucial to Nyerere who saw African and Tanzanian colonialism as a result of the fatal weakness of a lack of unity. His attempt to weave together *ujamaa* socialism, political structures and economy to create a strong state with a unified political culture found political expression through the Arusha Declaration of 1967.<sup>44</sup>

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<sup>42</sup> The opening line of the TANU pamphlet in 1962 (written by Nyerere) reads, "Socialism - like democracy - is an attitude of mind ... in the individual, as in the society" (Hedlund and Lundahl, 1989, p. 21). They also point out that the "highly individualistic approach to socialism and the way in which society should be organised, follows the strong identification with 'African' socialism which implies 'equal and natural' obligations on part of society and the individual". While this conceptualisation of socialism has been criticised by extreme left-wing analysts, for example, Nabudere (1977), Tandon (1978) and Mukandala (1979), analysts like Boesen (1977), Cliffe (1975) and Shivji (1976) give *Ujamaa* qualified support, placing more faith in the figure of Nyerere and his ideological commitment than in the theoretical foundations of his model of socialism. However, Saul (1972), Szentes (1973), Mushi (1971) and (1981) and Pratt and Mwansasu (1978) are more sympathetic to the concept and its relevance.

<sup>43</sup> Mawhood (1983, pp. 75 and 105) perceives a continuity in the *structure* of government and administration (including the legal system) since colonial times and writes: "Nyerere's sympathy with communal values of village harmonised rather than contrasted with the British Administration's own preferences. Certainly there was a transformation at the time of national independence, in the arrival of the socialist party to dominate the structure of government, but structures themselves were modified in an evolutionary rather than a revolutionary way and important parts of them persisted".

<sup>44</sup> The major objectives outlined in the Arusha Declaration are to be found in Nyerere (1968a).

The Arusha Declaration, an ideological statement by the TANU government in 1967 and an important milestone in the political development of the Tanzanian state, clarified the ideological position of the party and emphasised unity of purpose. Three major ways in which the Arusha Declaration sought to promote unity were by ratifying kiswahili as the national language, *ujamaa* as the common ideology, and TANU as the single party. Thus, the Arusha Declaration is articulated from the point of view of a single party-state - for example: "TANU is involved in a war against poverty ..... we have been oppressed a great deal, we have been exploited a great deal, and we have been disregarded a great deal. It is our weakness that has led to our being oppressed, exploited and disregarded. We now intend to bring about a revolution....." (TANU, 1967). The Declaration thus specified the political, social and economic goals of *ujamaa* as well as the nature of the institutional changes required to achieve the objectives of *ujamaa* - collective ownership and control of the means of production, mass participation in the work effort and the egalitarian distribution of income. Although it talked of the state and the party almost interchangeably, it was clear that it was the TANU government that was to transform Tanzania from a capitalist dependency into a self-reliant and socialist nation. Thus, through all this change the party was to ensure the political legitimacy of the state.

Tanzania appears to fit Nettl's (1968) argument, in the general context of Africa, that a low degree, or absence, of 'state-ness' - associated with a lower capacity of the state to implement developmental policies - causes a single party-state to assume a particularly functional role, to become an "engine of authority legitimation".<sup>45</sup> But in order to do this, the party-state usually had to assume more powers for itself and become more 'statist'. In the present case, this was facilitated by the nature of the post-colonial state apparatus and institutions and the legacy of extensive state intervention in the economy.<sup>46</sup> But given that the state was to be

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<sup>45</sup> See Nettl (1968), Apter (1965), Myrdal (1970) and Cranenburgh (1990), for discussions of the phenomenon of 'stateness' in the specific Tanzanian context as well as the more general African and Asian contexts.

<sup>46</sup> The post-colonial Tanzanian state could be said to be 'over-developed', in the tradition of Alavi (1971).

guided by the party according to the ideology of *ujamaa*, the burden of development, in the final analysis, was left to TANU.

### 3.3.2. The Development of the One-Party State

Nyerere gave two reasons for a single-party political system (Othman (1988), p. 160). Firstly, he felt that a multi-party system in a young country could result in political differences which might be exploited by external powers intent on destabilising the country. A single-party system would help to eliminate the substantial ethnic and tribal conflicts as well as religious and class differences that existed in the country at Independence.<sup>47</sup> Secondly, he felt that a multiparty system was a luxury that the new state could not afford, especially given that there were no internal economic groups with divergent political programmes to offer or support. At that time, such argument was easily acceptable since the number of political organisations that had existed previously had performed badly at the elections immediately after political independence. The dominance of TANU at Independence was, thus, clearly demonstrated and unquestionable (id.).<sup>48</sup>

The main feature of the development of the TANU party after Arusha is the enhancement of its status within civil society, through specific legislation and

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<sup>47</sup> In 1961 Nyerere abolished chieftaincy and tribal associations with apparently no protest from the rest of society. However, Nyerere may have used the power and authority vested in him by parliament to push for unity of this kind. Hartmann (1991) notes that Nyerere publicly rebuked Chief Fundikira in Parliament in 1963 for requesting special consideration to Muslims. But in hindsight it is clear that from a fragmented and disparate collection of tribes and peoples at Independence (there are over 120 ethnic groups) Tanzania has achieved by 1988, "real national integration" with Tanzanians identifying with each other "not because of common ethnic backgrounds or common religious beliefs, but because they share economic or political interests" (Othman, 1988, p. 160).

<sup>48</sup> The TANU party had been in existence even before independence and had acquired an detailed hierarchical structure. Ten house cells were the basic units of TANU for rural areas, with 50 member cells for places of work, each with an elected leader who represents the cell at a higher organisational level, such as the monthly Branch general meetings, representative annual conferences and executive committees. District and regional units with chairman and secretaries met at conferences (held at 30 month intervals) and had executive and working committees. At the apex was the National Conference (NC), the Party's highest decision-making authority, electing the Chairman and Vice-Chairman of the Party and, in the election year, nominating a candidate for the Presidency of Tanzania. Policies were made by the National Executive Committee (NEC) and implemented through the NC and smaller central committees. A Chief Executive Secretary assisted by two deputies supervised routine party organisation. For details, see TANU (1971) and Bienen (1967).

through the Constitution. Following Arusha, the Parliament (including the President) was to be a party committee and to function as the executive arm of the party. Virtually all office-bearers, political as well as state (including the President, the Vice Presidents, Commanders and officers of the Armed Forces, bureaucrats, and managers of parastatal organisation) had to be appointed or approved by the party. Also, the national executive of the party and the government leadership were to be linked in a hierarchical organ down to the lowest level of the ten-cell house system. But although the institution of the one-party state was to be central to the politics of mobilisation (and demobilisation) in Tanzania, it was to be accountable through the hierarchical structure of democratic decision-making of the party.<sup>49</sup> In its pursuit of unity and mass representation, the party has an 'Elders' section and five 'mass organisations' representing youth, women, parents, national trade unions and cooperative movements, incorporated into the party through various Acts of Parliament during the early 1960s.<sup>50</sup> Such a single-minded pursuit of unity, however, has meant that potential discontent and dissent are subordinated to the unifying dictates of the party. In particular, the inclusion of almost all mass organisations in civil society - including potential pressure groups like women, youth, students, workers and organisations - has virtually ensured the cooption of domestic dissent and the neutralisation of organised lobbying. Kiondo (1992) refers to this process as the 'statistisation' of civil society.

While this extension of party control over civil society, especially as outlined in the Arusha Declaration, might be seen as a strengthening of political power in hands of the elite, the *Mwongozo* or Party Guidelines published by the TANU in 1971 (TANU, 1971) seem almost anomalous (e.g., Shivji, 1976). This important party directive aimed to (i) increase the say of peasants and workers in determining their own affairs; (ii) build equality among the people, i.e., resolving the power and status differential between the leaders and the led and (iii) eliminate the attitude of

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<sup>49</sup> From a pluralist perspective, Dahl (1973), Foltz (1973) and Sartori (1976) have argued that a one-party democracy is a contradiction in terms. But see the discussion on the electoral regime of the Tanzanian state below.

<sup>50</sup> These include the Trade Union Ordinance (Amendment) Act, the Trade Disputes Settlement Act and the Civil Service Machinery Bill in 1962, and in 1964, the National Union of Tanganyikan Workers Establishment Act and the Security of Employment Act. For a detailed analysis see Mihyo (1974).



bossism, commandism and false consciousness and instill a sense of security and responsibility among both the leaders and the workers (cited in Makusi, 1983, p. 33). Although it reflected "a more 'vanguard' notion about the role of the party" (Cranenburgh, 1990, p. 103) than there was in the Arusha Declaration - emphasising the quality of the party's supervisory role through directing the conduct of leaders in implementing party policies - it appeared to assert the party's anti-elitist position as an instrument of the people (more specifically, workers and peasants) and to try and bridge the gaps between the government, workers and management.<sup>51</sup> Thus, Shivji (1976), Hedlund and Lundahl (1989) and Cranenburgh (1990), among others, find the *Mwongozo* conceptually more radical than the Arusha Declaration.<sup>52</sup>

The political dominance of the one-party system continued with the 1972 decentralisation of power which made the party the *de facto* instrument of local government.<sup>53</sup> In 1974, Nyerere (Daily News, 23 February, 1974, cited in Miti, 1979, p 194) publicly raised the issue of TANU's role in relation to the government and stated "under our One Party Constitution, TANU is supreme....it has the power to give specific instructions about priorities of action in any aspect of our national life.. can call the cabinet, any minister, or any government official to account for their activities...it is their [the TANU Committee's] task to guide and supervise the activities of all government ...".

In an amendment to the Union Constitution in 1975, the government formally introduced party supremacy over all organs of the state and also increased the indirectly elected or appointed members in the National Assembly (URT, 1975). In 1977, TANU merged with the Afro-Shirazi Party to form the *Chama Cha Mapinduzi* (CCM) which continued from where TANU had left off. The ideology-based guidelines for party organisation and operation initiated by the Arusha Declaration,

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<sup>51</sup> The *Mwongozo* states: "Any action that gives them (the people) more control of their own affairs is an action for development even if it does not offer them better health or more bread" (reprinted in the *African Review*, 1 (4), April 1972, p. 6; cited in Barkan (1979a), pp. 28-29.

<sup>52</sup> Hedlund and Lundahl (1989, p. 29), in fact, point out that there were evident similarities, at least on paper, between the *Mwongozo* and Mao's revolutionary writing.

<sup>53</sup> For administrative purposes, Tanzania is divided into 25 regions, 20 on the mainland, and 5 in Zanzibar. For an analysis of the decentralisation policies, see Ryewemamu, 1973.

thus, continued to direct party formation and reformation through the 1970s and 1980s. Cranenburgh (1990, p. 79) notes that with the formation of the CCM in 1977, this 'party of revolution' asserted party supremacy more vociferously. By 1977, the URT Constitution stated: "All political activity....All business of the organs of the state...shall be carried out under the guidance and supervision of the party" (cited in Cranenburgh, 1990, p. 82). Thus, after 1977, all members of the government were required by the Constitution to be party members.

Although apparently monolithic, the single-party political system was flexible, being structured to have periodic accountability through the electoral system. Candidates have to be elected to Parliamentary and Party posts<sup>54</sup> although such elections are largely focused on local issues (enhancing the idea of locality delegate or representative and servicing the local community). Also, election behaviour is governed by party guidelines, with curbs ranging from limitations on campaign expenditure to prohibitions on appeals to race, ethnic relations or religion in campaigns. While the provision of an 'electoral regime' (Bienen, 1974; Samoff, 1987)<sup>55</sup> operationalised the democratic ideals of *ujamaa*, the intensive political mobilisation and campaigns that it implied (with an extensive use of kiswahili) served to promote cultural homogeneity among an ethnically and linguistically diverse population.<sup>56</sup>

In 1981, the CCM undertook major revisions of its internal structure to increase operational efficiency and to eliminate the corruption that had been noticed

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<sup>54</sup> After 1985, this has included the post of the President of the country.

<sup>55</sup> Samoff (1987) notes that "elections have both contributed to and, perhaps more often, formally registered power shifts among political alliances in Tanzania, both national and local. They have established a right of participation for politically disadvantaged groups" (p. 180). He goes on to say: "[w]ithin Tanzania, the institutionalisation of elections has slowed the consolidation of power of a bureaucratic governing class and of an aspiring bourgeoisie. Elections, by their adherence to at least some liberal democratic forms, have both impeded that consolidation and at the same time helped to legitimise it. Elections have supported the initiatives emanating from Nyerere and his allies at the centre to constrain elite formation ... elections remain a contested and vital terrain for political action" (p. 181).

<sup>56</sup> This 'semi competitive' nature of the party (and the state) is adjudged to be one reason why the post-colonial one-party system in Tanzania has been remarkably resilient in that ethnic or tribal loyalties are minimal and that conflicts are predominantly on issues of government performance and personalities (Samoff, 1987). It is nonetheless true that while the very act of voting may be an affirmation of faith in the system, though not necessarily an indication of support for specific policies, low voter turnouts in this single-party semi-competitive system could reflect alienation and frustration.

in the party through the 1970s and especially during the economic crisis of the late 1970s. Throughout the 1980s the CCM continued to undertake internal reform culminating in the Zanzibar Declaration of 1991. Although the official position is that it is an extension of the ideals of *ujamaa* and congruent with the Arusha Declaration, there appears to be a distinct shift in political ideology.<sup>57</sup> Through the 1970s and 1980s, however, the Tanzanian state was explicitly statist in its pursuit of the societal goals of *ujamaa* socialism, or, as Kiondo (1990) puts it, there was a 'statisation' of both civil society and the economy.

### 3.3.3. The State and Economic Development

In accordance with the Arusha Declaration, the single-party exercised substantial authority on policy-making, government appointments and on the running of parastatal and other organisations in the public sector (which, in turn, was to control the development path of the economy). The state, under the guidance of the party, was to re-organise its institutional structure according to the basic principles of *ujamaa* socialism and pursue the goal of self-reliant economic development.<sup>58</sup>

In addition to these institutional changes, the state also had to formulate specific economic and social strategies to realise these goals. Thus, the state in the post-Arusha period formally adopted the strategy of 'redistribution with growth' (RWG) with a prominent bias towards agricultural production vis-a-vis industrialisation. These are examined in greater detail below.

*Institutional Changes* : Following the Arusha Declaration, the institutional reform that was highlighted was the capture of the "commanding heights" of the economy

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<sup>57</sup> This is discussed in more detail in the next chapter.

<sup>58</sup> Okumu (1979) comparing East African political systems by the mid 1970's observes, "that in terms of their respective capacity to make public policy, and ensure effective implementation of those policies, TANU has developed a capability that is unique in the African experience" (p. 61).

by nationalisation<sup>59</sup> and the creation of over 400 parastatals to control the production and distribution of various industries. Local and foreign capital was also nationalised and former owners were paid full compensation (Hedlund and Lundahl, 1989).<sup>60</sup> The private sector was allowed to co-exist with the state sector, but was largely confined to agriculture, retail trade and construction.

Collective ownership and effort in the agricultural sector was translated into (i) the nationalisation of land, forests and other natural resources - with every citizen having the right of use but not ownership, (ii) the control of agricultural market activity through parastatal organisations and (iii) the (voluntary) re-organisation of agrarian production into *ujamaa* villages (*ujamaa vijijini*) - where, with the provision of various social services by the government and with collective work (*'kila litu afanya kazi'*) using simple tools (rather than expensive imported machinery), rural development would be fostered and the disparity between urban and rural sectors diminished.<sup>61</sup> Thus, agricultural and rural development were on communal and cooperative lines in accordance with the ideology of *ujamaa* and this received surprising support, at least in the early years, from the international community,

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<sup>59</sup> These included major industries and plantations, banking and insurance, imports and exports, land, forests, minerals, water, oil, electricity, news media and communications. See Skarstein and Wangwe, 1986, p. 6.

<sup>60</sup> This proved a popular move with the majority of Tanzanians because the property being expropriated was owned by Asian commercial capitalists and/or foreign interests (Kiondo, 1992, p. 22). Kiondo (1992), however, argues that the degree of actual control achieved over these resources was not significant since "nationalisations meant that the state simply went into partnership with international capital because the former owners not only retained shares in some cases but also provided managerial services through management contracts (p. 22). However, with the formulation of the *Mwongozo*, the attitude towards domestic capitalists hardened and Hedlund and Lundahl (1989), citing Hyden (1972), point out that, "all private houses valued at above Tsh 100,000 were expropriated and as a result it is estimated that around one-fifth of the country's Asian population left in 1971 alone" and further, that "Tanzania suffered a major brain drain as a result of this socialist offensive" (p. 28).

<sup>61</sup> To arrest the growth of rural capitalism, Nyerere called for the establishment of Ujamaa villages - "economic and social communities where people [would] live together and work together for the good of all" (e.g., Nyerere, 1968b) - into which the government could bring education, health and social services as the first step of a three-step strategy culminating in the transformation of the village into a multi purpose Cooperative society (with adequate security to attract commercial credit). See, for instance, Ellman (1975), p. 325.

including the World Bank.<sup>62</sup> But the voluntary drive to *ujamaa* villages - as indeed Nyerere had wanted (see, for instance, Nyerere, 1966, 1968) - turned into a forced march.

Villagisation was not an initial success with implementation being slow. Realising this, the TANU government launched a national campaign of 'persuasion' in 1970, under the personal supervision of the President,<sup>63</sup> followed by a number of similar operations or campaigns that resulted in a doubling of the number of *ujamaa* villages between mid-1970 and 1973.<sup>64</sup> There is substantial documented evidence however, that government officials forced peasants to form villages and, once in villages, to undertake collective economic activities just to qualify as *ujamaa* villages (see, *inter alia*, Coulson, 1979, Von Freyhold, 1979 and Hedlund and Lundahl, 1989).<sup>65</sup>

Overall, thus, the implementation of the objectives of *ujamaa* socialism increased the need for centralised decision-making in: (i) the allocation of resources such as foreign exchange, credit and to a lesser extent consumer goods and food; (ii) the determination and control of prices (including the exchange rate) and (iii) the regulation of trade in many goods (by state agencies). Public sector activity had to be expanded, not only because the nationalisation of assets and the centralisation of decision-making extended the scope of the public sector, but also, because of the leading role that public sector investment now had to play in the economic

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<sup>62</sup> Miti (1979) points out (p. 40) that the World Bank which, in 1961 had recommended a capitalist approach to rural development, had "undergone complete metamorphosis and was championing Tanzania's new rural development policy as a model of development in the Third World".

<sup>63</sup> This campaign was started in Dodoma and thus came to be known as 'Operation Dodoma'.

<sup>64</sup> URT (1971) points out that by 1971, only about 6% of the population lived in *ujamaa* villages and out of 2,668 such villages then in existence, 2410 had not yet passed beyond the first stage, that is they featured no communal production (p. 55). Yet, Hyden (1980, p. 103) points out that in 1973, the number reached 5631 with a total membership exceeding 2 million people.

<sup>65</sup> Nyerere also maintained that the main responsibility for mobilising the rural population to join *ujamaa* villages lay with TANU - i.e., no voluntariness outside the scope of strict party control seemed to be allowed. In a perverse case, the Ruvuma Development Association, started as early as in 1963 and working according to the principles sketched by Nyerere (i.e., where voluntariness and material incentive worked), was closed down by Presidential decree and all assets confiscated in 1969 - since it did not come under the aegis of the party (*inter alia*, Hedlund and Lundahl, 1989). This seems to have ended attempts to achieve *ujamaa* 'from below'.

development of the country.

*Strategies for Development* : As far as development strategies are concerned, the early choice of redistribution with growth (RWG) was fortunate since it was then in vogue in the development circles and "found a particularly ready echo in the World Bank which at that time [McNamara period] had a liberal phase [in the Keynesian/progressive sense]" (Singer, 1989, p. 17). Along with the infatuation with Tanzania's *ujamaa* policies in scholarly and progressive circles called 'Tanzaphilia' (Mazrui, 1969), the Tanzanian effort was internationally encouraged, at least till the 1970s, and had the important effect of insulating the state from political policy input and critique from the donor community. Consequently, Tanzania's policy-making was allowed to be determined indigenously and foreign involvement in Tanzania avoided domestic political issues and concentrated on technical and sectoral areas. But this degree of self-reliance, though important, was superficial.

The apparent emphasis on agricultural development during the 1960s and 1970s reflected a firm stand against over-reliance on the policies of industrialization which, it was felt, would naturally create a dependence on the industrialised world (which would militate against the goal of self-reliance) and would also create an urban bias. Thus, Nyerere (1968b) writes, "If we are not careful we might get to the position where the real exploitation in Tanzania is that of the town dweller exploiting the peasant". Yet, industrial development was not to be neglected.

Economic self-reliance was sought basically through import-substituting industrialisation (ISI) with domestic demand being met by domestic resources. Although the country had already been following a policy of ISI since Independence (see section 3.2), the post-Arusha phase expanded this effort from simple consumer goods to intermediate and basic industrial goods.<sup>66</sup> This, however, was done in two stages. The Second Five-Year Plan (1969 to 1974) continued the earlier trend of simple consumer goods production although the institutional structure was shifted sharply to a more centralised mode through nationalisations and the imposition of administered prices and controlled distribution of commodities, including consumer

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<sup>66</sup> See section 3.2. and Skarstein and Wangwe (1986), pp. 4-8.

goods and food (Skarstein and Wangwe, 1986, pp. 6-9). Small scale industries were also promoted (*ibid.*, p. 7).

Although most of the institutional changes were implemented over the Second Five Year period from 1969 to 1974, the more detailed and long-term industrial and economic strategy (with a time horizon of until 1995) to achieve multiple long-term economic and social objectives had to wait till 1975, the planned start of the Third Five Year Plan.<sup>67</sup> For this, a Basic Industry Strategy was chosen which focused on consumer goods and certain 'core' industries.<sup>68</sup> Even though the Strategy itself was not implemented during the 1970s, several 'basic industries' had been set up by the mid 1970s, (Skarstein and Wangwe, 1986, especially, pp. 6-9, 28-52, 215) and the economy had developed heavily import-dependent industrial and infrastructural sectors.<sup>69</sup>

Finance for these imports came from two sources, foreign assistance and traditional agricultural export earnings.<sup>70</sup> Foreign assistance, which had increased post-1967 despite the nationalisations,<sup>71</sup> went towards the development effort rather than to conspicuous consumption and with such an emphasis on basic needs and self reliance, Tanzania was termed "an exciting example of a country setting the pace in that direction" (Mushi, 1979, p. 39). But since foreign assistance, at least until the 1970s, was mainly of a 'developmental' nature to finance educational, industrial and rural development projects, it was not available 'freely' for domestic imports.

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<sup>67</sup> Although scheduled to start from 1975, the Third Five Year Plan was postponed due to the 1973-74 crisis triggered off by the oil price hike and droughts and thus ran from 1976 to 1981.

<sup>68</sup> See Skarstein and Wangwe (1986), pp. 28-52 for a description of this strategy chosen from five alternatives.

<sup>69</sup> See Kim (1976), p. 19 and Skarstein and Wangwe (1986), p. 190.

<sup>70</sup> Manufactured exports were only 20 percent of total export value in 1980 and clearly, "export crops will contribute the major share of Tanzania's export earnings for a long time to come" (Skarstein and Wangwe, 1986, p. 246, quoting a World Bank study in 1981).

<sup>71</sup> Clark (1978) notes that: "The Arusha Declaration and subsequent nationalisations did not slow the inflow of foreign capital. In fact, if anything else, they increased it ... the doctrine of self-reliance and rural socialism was very attractive to many donors ... the socialist overtones far from repelling Western donors attracted them. Tanzanian socialism was not so strong (at least at this stage) that it challenged the interests of Western capitalism" (p. 82). Full compensation payments to the owners of the firms being nationalised also helped to restore the confidence of Western investors and financiers.

External capital for most domestic development, consequently, had to come mainly from export revenues throughout the 1960s and 1970s.<sup>72</sup>

*Economic Impacts of the Development Strategies* : These various developments had two major consequences for economic development through the 1970s: first, as remarked earlier, they increased the vulnerability of the economy to the vagaries of the international market through its increasing import-dependence; secondly, they fostered inefficiency within the government administration, parastatal organisations and collectively-operated farms and factories.

Regarding the latter, in agriculture, agricultural production dropped during the period of the villagisation programme (Skarstein and Wangwe, 1986, pp. 229-232).<sup>73</sup> Further, the share of communal production in total agricultural output probably never went beyond one or two percent and where it existed, the impact on agricultural output was also not very encouraging (ibid., chapter 7). The productivity on communal farms, it is argued, was in fact lower than on private farms (see, *inter alia*, Hyden 1980, Lofchie, 1978, Ergas, 1980 and Coulson, 1982). Further, it is argued that communal production could not be claimed to be a success even from the point of view of distributive justice. McHenry (1979) notes: "In all cases, a proportion of the product, if there was any, went to finance village activities. In effect, participants in communal production were being taxed to pay for village needs. And the more one participated, the more he contributed to the welfare of others. Such behaviour was in accord with *ujamaa* ideals ... villages were taxed for doing what was wanted of them, i.e., work on the communal farm, but not taxed for doing what was not wanted of them, i.e., work on private farms. The incentive effect of this system of distribution was therefore, counter-productive" (p. 168).

Till the mid-1970s both domestic and export production suffered disincentives with producers facing decreasing real prices for their output. Although this situation

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<sup>72</sup> Some industrial projects were, in fact, 'tied' to specific sources and types of external assistance. See Skarstein and Wangwe (1986).

<sup>73</sup> Hyden (1980) and Legum (1988), however, maintain that the decline was only temporary, if at all, but a detailed analysis of the evidence shows a definite decline. Further declines were due, at least in part, to adverse weather conditions during the 1970s.



was remedied in the case of domestic food production by increased output prices, production for export continued to face declining production incentives not only on account of inefficiencies within the parastatal marketing organisations but also because of an over-valued exchange rate (e.g., Skarstein and Wangwe (1986), especially chapter 7, and Maliyamkono and Bagachwa (1990), pp. 9 and 11). This naturally affected export production and export earnings which, in turn, affected capacity creation in the industrial sector.

The expansion of the public sector after the nationalisations created, firstly, an increase in the numbers of a bureaucracy widely accepted to be inadequate and ill-equipped, and, secondly, a decline in competitive efficiency in the economy (Bates, 1981). The argument is that the post-colonial bureaucracy was ill-equipped to develop the nation's economy since it lacked adequate knowledge, skill and risk-taking ability, and actually inhibited growth by consuming too much of the state's revenue (thus limiting funds for development) and by impeding the growth of private sector's growth through owning too much and by over-regulating the economy (Cliffe, 1967; Bienen, 1967; Tordoff, 1967; Kjekshus, 1974; Mwansasu and Pratt, 1979).

After the nationalisations, the lack of adequate numbers of experienced managers to run these parastatals meant that most of them came under the control of General Managers "who were bureaucrats more than businessmen and consequently ran their domains like civil service bureaucracies" (Duignan and Jackson, 1986. p. 213). It led to the development of 'crony capitalism' - a term used in the general context of Africa to describe the situation wherein the ruling elite appropriate legitimate control over massive resources through mechanisms such as marketing boards and the state's retention of residual rights over minerals etc and used it as a basis for hegemony over the rest of society - with a strong element of personalism and patronage entered into many organisations and what had been a private economy of small firms managed by their owners eventually became an "inflated empire" controlled by state officials.

Production in parastatal organisations was economically inefficient.<sup>74</sup> In an early assessment of parastatal activity in Tanzania, Cadribo (1975) notes that the control of parastatals over production is inadequate to the point of being non-existent with (i) a lack of clear definition of objectives, (ii) proliferation of control organs and their rather ambiguous orders, (iii) limited scope of worker-participation as a means of control and (iv) the absence of commitment to Tanzanian socialist objectives among the managerial elite. Workers and their bureaucratic managers were complacent in the knowledge that their jobs were virtually guaranteed by the socialist state.<sup>75</sup> Parastatals, especially, seemed to be politically privileged territory protected by the official ideology of the state. Political exhortation to economise and to try harder, which was Nyerere's response to the problem of laxity and inefficiency (e.g., Nyerere, 1977), was not realised. More investment seemed to be going into meeting the political requirements of full employment and worker's welfare than into increasing industrial productivity.

Further, such state monopolies severely restricted the degree of competition in the economy and this decreased productivity further. With a decline in productivity, buyers' markets became sellers' markets with excess demand for several consumer goods, inputs and intermediate goods. This inefficiency was, however, compounded by further inefficiency in aid-financed ventures where cost-consciousness tended to be lower than for even domestic projects for a number of reasons (see, for instance, de Vylder 1988, Eriksson, 1991).

Yet there is some approval for the performance, at least in relative terms. Green (quoted in Coulson, 1982) claims that despite the opportunist nature of elites in Africa, for some unexplained reason this has not happened in Tanzania where the "public sector has accepted material rewards substantially lower than those in

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<sup>74</sup> Nyerere (1977) observes that from 1967 to 1974, industrial output per worker, as measured in current prices, declined by 14 percent, with an even greater decline in real terms. Barkan (1979), fn. 30, p. 38.

<sup>75</sup> Hyden (1980), in fact, points out that the *Mwongozo* was misinterpreted by workers as a directive against exploitation by management. In the wake of the *Mwongozo*, Barkan (1979) observes out that in 1973-74 there were a series of "work stoppages and lockouts of plant managers that, in turn, led to relatively loose supervision by managers who feared further confrontation with their staff" (p. 18). In practical terms, the argument has been that it thus contributed to indiscipline and slackness in parastatal organisations and bureaucracy.

neighbouring states with no evident loss of morale and loyalty". Pratt (1976), writing about the 'benign elite' in Tanzania, gives high marks to the bureaucrats and politicians in Tanzania as developers despite what he calls "occasional dangers of a doctrinaire determination of politics".

But a part of the blame for economic inefficiency has to be laid on the fact that the state was required to be 'paternalistic', formulating policies and organising industry with workers participation and equality of income distribution as the yardstick. The allocation of national resources was to be determined on the basis of need rather than expected profit (Nyerere, 1968) and this criterion was to determine the structure of production in the economy. In practice, thus, the state was 'soft', supporting chronic loss making firms and parastatal organisations.<sup>76</sup>

But while 'soft' on the one hand, the state could, on the other, impose a certain degree of hardship, in pursuit of *ujamaa*, through egalitarian measures such as income re-distribution like low wages and salaries, nationalisation and policies of villagisation. In such cases, however, the ideology itself provided the required political legitimisation. Thus, extensive use was also made of non-material collective incentives such as moral appeal and even coercion to undertake potentially 'unpalatable' measures that were deemed necessary for the realisation of ideological aims (Hedlund and Lundahl, 1989, especially pp. 41- 42).

Yet, it is undoubtedly true that Tanzania witnessed strong returns to its large investments in social services. Education improved substantially and the country with less than 10 percent adult literacy at the time of Independence had the most literate population in black Africa by 1975 (Morrison et al., (1989). Medical facilities improved from severely low levels and infant mortality dropped and life expectancy rose from 34 in 1962 to 47 by 1975 (World Bank, 1989; Legum, 1988).

This political, social and economic performance forms the backdrop to the economic crisis that began in the late 1970s and resulted in a need for foreign exchange. This led to negotiations with the IMF and the structural adjustments to the

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<sup>76</sup> Chronic loss-making firms whose output is deemed essential by the state and are therefore supported financially by the state are said to be facing a "soft budget constraint". This could work through various ways, including tax exemptions or subsidies from the government budget and cheap credit from centralised bank system. But a 'soft' state could go beyond merely supporting loss-making firms and could extend to subsidising consumers and agricultural producers (see, for instance, Eriksson, 1991, pp. 26-32).

economy that aimed to dismantle many of the institutional features described in this section. The economic crisis is described in detail in the next section, while the negotiations are discussed in the following chapter.

### **3.4. The Economic Crisis and the Second Economy**

The oil price shock of 1973 combined with a drought in Tanzania to initiate a period of poor agricultural performance which affected the industrial performance, the balance of payments and economic growth, culminating in a severe economic crisis from the late 1970s onward. The details of this economic crisis are examined in the sub-section 3.5.1, while 3.5.2 presents the various factors held responsible for the crisis and the last sub-section (3.5.3.) discusses the rise of the parallel economy as a consequence of the economic crisis.<sup>77</sup>

#### **3.4.1. The Manifestations of Economic Crisis**

Despite the triple effects of the oil price hike, drought and food shortages during the years from 1973 to 1976, by 1977 the Tanzanian economy had "a trend growth [of GNP] of over 5 per cent ... external reserves... equal to five months of imports... an overall food surplus and a record Recurrent Budget" (Legum, 1988, p. 5).<sup>78</sup> Taking the whole period from 1970 to 1979, Hodd (1986) finds that "Tanzania experienced growth of GDP which averaged 5 per cent per year, which allowed an increase of GDP per head at 1.8 percent" (p. 2). By 1976, Industrial growth, impressive in the period from Independence to 1972, had recovered from its post-1973 slump to exceed the overall economic growth rate in 1976 (Skarstein and Wangwe, 1986, p. 11). The coffee boom in 1977 "facilitated a relatively

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<sup>77</sup> The next section details the liberalisation measures introduced in an attempt to deal with the crisis.

<sup>78</sup> For the period from 1961 to 1969, Hodd (1986) quotes World Bank documents to say that in terms of the main economic indicators - overall economic growth, inflation, the proportion of GDP devoted to investment and the balance of payments - Tanzania performed "better than average for the whole of Sub-Saharan Africa and even better when compared with the Low-income group of African countries" (p. 2).

adequate allocation of foreign exchange to industries following the improvement in the balance of payment position" (ibid.).

But from 1978 onwards, however, almost all economic indicators have registered declining performances of crisis proportions.<sup>79</sup> Maliyamkono and Bagachwa (1990) note that real GDP declined from "an average of 5.1 per cent per annum in 1970-76 to less than 2 per cent between 1976 and 1986 when population growth was 3.2 per cent per annum" (p. 1). This translated to a decline in real income per capita of more than 15 per cent from 1976 to 1986 (id.). Inflation soared from "less than 5 per cent in the 1966-70 period through 11 per cent in the 1970-76 period, to 30 per cent after 1979" (ibid, pp. 1-2) while "the balance on current account deteriorated abruptly from a deficit of \$US 49 million in 1977 to a deficit of \$US 539 million in 1982, hitting an all time low of \$US 565 million in 1980" and the deficit in public finance "rose by more than 6.5 times between 1978-9 and 1984-5, reaching an unprecedented 20 per cent of GDP in 1980" (ibid, p. 2).

The deterioration in the balance of payments situation from 1978 onwards caused negative industrial growth from 1979, and, by 1983, "manufacturing value added had declined back to the levels of 1967/68" (Skarstein and Wangwe, 1986, p. 11 and also Maliyamkono and Bagachwa, 1990, pp. 5-6). Agricultural production, which had been declining from 1973, caused the volume of agricultural exports to decline "dramatically" by 36.5 percent from 1973 to 1980 (Skarstein and Wangwe, 1986, pp. 227 and 246 and also Maliyamkono and Bagachwa, 1990, pp. 5-6 ). Worse, in 1981-82, the net imports of food (staple grain) were almost three times higher than officially marketed domestic output and comprised about 9 percent of the total imports of the country. From 1980 to 1988, Hodd (1988) concludes, Tanzania's economic performance has been "inferior to the average for African low-income countries" p. 1).

The effects of this declining performance are manifold. Over the period 1980 to 1988, Hodd (1988) writes: "The currency has become seriously over-valued, with the black market valuing the Shilling at half to a third of the official rate ... Minimum wage legislation [has been] widely flouted ... consumer prices for up to

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<sup>79</sup> Some analysts prefer to date the origins of the crisis to 1974 "when Tanzania faced her major first balance of payments deficit". See for instance, Bierman and Campbell 1989, p. 70.

3,000 itemised consumer goods [resulting] in food subsidies to urban consumers and the periodic unavailability of such modest requirements as sugar, soap, salt, batteries and light bulbs except on the black market ... shortages of fuel, spares and raw materials resulting from languishing export revenues ... [and] a crippling shortage of foreign exchange" (p. 1).

Yet, as Legum (1988) himself points out, a "people-centred rather than finance-centred view provides a completely different view of the actual progress and retrogression in Tanzania since its independence", noting (i) that infant mortality had decreased from 225 per 1,000 live births in 1962 to 137 in 1984; (ii) the crude death rate had dropped from 22 per 1,000 in 1967 to 13 in 1982; (iii) life expectancy had increased from 35 in 1962 to 51 in 1984; and (iv) from a situation at Independence where "only handful of children went to school at all and adult literacy had only just begun", the national literacy rate was 85 per cent (pp. 3-4).<sup>80</sup> In this context, Maliyamkono and Bagachwa (1990) observe that a group of writers have focused on "Tanzania's political stability over two decades and democratic practices; its contribution to the liberation struggle in South Africa; its adherence to a position of non-alignment in international politics, and its success in promoting literacy, preserving its ecology, and providing homes for the homeless" and that fact that "Tanzania has been singled out for praise of its extremely workable programme for dealing with refugees" (p. 2).

It is undeniable, nonetheless, that the economic crisis had caused much hardship to the people of Tanzania. Thus, Young (1983) writes in 1983:

The outward signs of economic deterioration seem everywhere evident ... Long lines form early each morning in Dar es Salaam outside a medium-sized bakery for white bread. There is a shortage of almost all consumer staples: flour, cooking oil, sugar, kerosene, charcoal and clothing. For the first time some residents speak privately of the possibility of urban violence. The Government's policies do not seem to be able to secure a minimum level of food for the majority of the urban population. As for the rural population, there is virtually nothing to buy" (p. 22, quoted in Maliyamkono and Bagachwa, 1990, pp. ix-x).

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<sup>80</sup> Legum (1988, pp. 4-5) provides other statistical details in support of his interpretative view.

### 3.4.2. Explanations for the Crisis

Although there are those who seek to lay the blame for Tanzania's economic crisis on the extent of state intervention post-1967,<sup>81</sup> a variety of factors including incorrect government policies and external factors beyond the control of the state have contributed to the crisis. Maliyamkono and Bagachwa (1990), thus note that although Tanzania's economic problems have been blamed on its socialist policies, Western assistance has also played a major role in creating problems over which Tanzania had little control ("by investing too heavily in the building of capacity - capacity that the country does not have the foreign exchange to keep supplied with inputs"; p. 2).<sup>82</sup>

Among the external factors, Maliyamkono and Bagachwa note that high import prices for petroleum products and low export earnings from basically agricultural exports caused a drastic deterioration of Tanzania's terms of trade as a "relatively unindustrialized country competing in the international markets" (ibid., p. 3). They note the badly-timed expansion of aid-financed industrial capacity in Tanzania, the break up of the East African Community in 1977, the war with Idi Amin in 1978, the oil price hike in 1979 as well as the spate of natural calamities that struck the subsistence farming and export farming sectors, including severe droughts in 1973-4, 1981-2 and 1983-4.<sup>83</sup>

The resultant shortage in foreign exchange led to a drastic cut in imports of fuel which "cut heavily into Tanzania's infant industrial and distribution systems and adversely affected agricultural production" (id.). As the economy contracted and had to pay higher prices for industrial inputs, the country was plunged into trade deficits which, despite the substantial amounts of short- and long-term loans and grants,

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<sup>81</sup> Legum (1988) notes that both 'too much socialism' and 'too little socialism' have been used as critical explanations for the economic crisis. For views blaming internal economic policies within a centralised state for the crisis, see Lofchie (1978), World Bank (1981) and (1983b).

<sup>82</sup> For a critical view of the external influences on Tanzania's crisis, see, *inter alia*, Green et al. (1980).

<sup>83</sup> The last factor is estimated to have cost approximately \$US 1.5 billion (Green, (1985) or roughly three years of its export earnings (Singh, 1986a).

caused foreign debt to steadily increase from just under 20 percent of GNP in 1970 to 27.6 percent in 1980 (ibid.).

To Skarstein and Wangwe (1986), however, the decline in agricultural production, especially for export, is the "single most important factor bringing about the grave stagnation of the industrial sector since the mid-1970s" (p. 271) although they do not wish to present a monocausal explanation. They thus cite other 'internal' and 'external' factors, including "planning failures, technology problems, management problems, deteriorating terms of trade, soaring oil prices, etc." (ibid.). Their summary analysis of the crisis is as follows:

"In the 1970s, industrial investment - largely financed by foreign aid - went on at a very high pace, especially towards the end of the decade. The additional capacities resulting from these investments required increased imports of raw materials, spare parts, etc. However, ... Tanzania's export sector at the same time deteriorated and export earnings stagnated. As a result, the economy became increasingly less able to cover the foreign exchange costs of operating its acquired industrial capacities, and a grave underutilization of capacities developed. The production shortfalls combined with increasing employment nourished inflation and contributed to a further depression of the export sector. In brief, the Tanzanian economy became increasingly unable to sustain the new industrial capacities it had acquired through foreign aid combined with high domestic costs. In this way, foreign aid became an integral element in the downward spiral of the Tanzanian economy after 1976/77." (p. 270).<sup>84</sup>

Maliyamkono and Bagachwa (1990) count among the internal factors contributing to the decline three macro-economic decisions made by the government during the 1970s which, in their words, "seem, in retrospect, to have had a deleterious effect on the country's economic performance" (p. 5). First, like Skarstein and Wangwe, they note the implicit discrimination against agriculture, which has included "low prices for agricultural products relative to industrial

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<sup>84</sup> Somewhat graphically, Frankel points to the role of Western aid for development schemes in Tanzania's crisis when he says "The schemes have littered Tanzania's rural landscape with remains of factories, farm machinery, roadways and water pumping systems that the country lacks the money, spare parts and expertise to operate and maintain" (quoted in Maliyamkono and Bagachwa, 1990, p. 8).



products, lack of access to public socio-economic services, inadequate and irregular supply of agricultural inputs, poor extension service, poor marketing facilities, and scarcity of basic consumer goods" and conclude that the agricultural sector has been "starved of adequate incentives, financial, technical and managerial resources". This withdrawal of support cut into the export earnings necessary to support an industrial sector heavily dependent on foreign imports.

Second, economic mismanagement and inefficiencies caused by the proliferation of an increasingly inefficient central bureaucracy to organise and regulate production in the economy. They note that "the public sector in Tanzania has expanded beyond its technical and managerial capacities and has invariably been associated with proliferation of unproductive bureaucracies and financial losses" (p. 7). They also note that the intensity of the economic crisis has been worsened by the misappropriation of resources through all sorts of malpractices including "illegal transfers of resources (for example, fraud, kickbacks on contract, smuggling of goods, etc.) which "tend to stifle work effort by imposing an unnecessary burden on the productive members of the official economy, and may therefore adversely affect savings and investment" (p. 7).

Third, overambitious and unrealistic target setting in the provision of basic needs to a growing population which, "though desirable equity-wise", has been yet another drain on national resources, exacerbated by social welfare spending during periods of drought (p. 6).

Interestingly, Nyerere himself acknowledges almost all of these factors (Legum, 1988, pp. 6-8)<sup>85</sup> noting, in addition, that the loss of oil imports hit transport especially in the more remote rural areas and that the break up of the East African Community in 1977 meant that the country lost repair workshops for locomotives and had to build an entire new structure of civil aviation and central post and telegraph services. He also acknowledges that mistakes were made in policy formulation and implementation - including, over-ambitious and unrealistic target setting which resulted in "distortions and expensively wrong decisions" (ibid, p. 7) and a lack of efficiency and effective coordination among a number of the 400

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<sup>85</sup> Legum, unfortunately, does not provide references to the exact publication from which he has paraphrased Nyerere's views.

parastatal organisations, an increase in the numbers employed by the government (with the civil service increasing by 55 percent despite a 10 percent cut in 1976 and with the number of employees in government departments going up by 35 percent).

But where Maliyamkono and Bagachwa (1990) find that desirable expansion in basic needs is merely "yet another drain on resources" (p. 6), Nyerere finds 'problems of success', noting that there had been "a remarkable rise in living standards in the fifteen years after independence - with a population that had begun to dress better and with children acquiring the habit of wearing shoes; with improved eating standards and higher consumer spending; with better public transport, universal primary education, improved supplies of fresh water etc.", which had "created new expectations and demands for greater state expenditure to satisfy the new appetite for better clothes, education, medical and other services" (Legum, 1988, p. 7). As Maliyamkono and Bagachwa (1990) rightly observe, however, different views on the crisis "differ not so much in fact, but rather in emphasis and choice of values" (p. 2).

### 3.4.3. The Rise of the Parallel Economy

One phenomenon that the crisis helped to foster, according to Maliyamkono and Bagachwa (1990), is the second economy.<sup>86</sup> They argue that along with "the regulation of the economy mainly through excessive centralised economic decisions, quantitative restrictions, licensing and price-and interest-rate fixing by governmental agencies during a prolonged period of shortages", the economic crisis had "fuelled the growth of parallel markets - the second economy" (pp. 7-8 and 37). It was not that the informal sector had never existed in Tanzania but the fact that activities which, like those of the informal sector, were outside the official reach of government regulation and monitoring had been given such an impetus by a combination of events since the economic crisis in the late 1970s that a larger

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<sup>86</sup> The development of 'indigenous non-state associations' (e.g., Kiondo, 1990) to provide people with alternative organisational structures, is another consequence of the economic crisis. This is analyzed in greater detail in chapters 4 and 5.

concept, the second economy, developed by the 1980s.<sup>87</sup> Today the importance of the second economy in Tanzania cannot be overemphasised, with estimates showing that it has grown from a negligible 2.8 percent of the official GDP in 1976 to over 30 percent of the same in 1986 (Maliyamkono and Bagachwa, 1990).

They go on to distinguish two broad categories within the "vast and varied set of activities" (p. 27) that comprise the second economy: the legal and the illegal, the last being further divided into two types. The first includes "worthwhile productive activities initiated with honest (legal) objectives" as a source of additional revenue to satisfy subsistence consumption requirements ranging from small-scale operations such as part-time urban farming and housewives selling mandazis (buns) on streets part-time to medium-scale activities, such as operating "small-scale bakeries, custom milling units and small garage[s]" (p. 135). The second category of second economy activity comprises illegal operators who "are in business primarily to reap rents - for example commodity racketeering, speculation in foreign exchange and over-invoicing" and, therefore, clearly have illegal objectives and deny Government its legitimate revenue (id.). Here, there are illegitimate activities which take place in the "genuinely parallel circuit outside the official system" as distinct from those which originate in the official system (p. 48).

Although the first category is relatively more 'visible', it is the second category which attracted more public and media attention in the early 1980s with the government branding such operators "economic saboteurs" and carrying out a massive 'crackdown' on such activities in March 1983.<sup>88</sup> The then Prime Minister

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<sup>87</sup> Maliyamkono and Bagachwa (1990) point out that "the complex phenomenon referred to here as the second economy has meant different things to different observers" and attribute the lack of any general theory to explain such economic and social behaviour to the "definitional and conceptual variations" that exist. They, however, endorse Tanzi's (1982) definition of the second economy when they write that it "engross[es] all production and exchange activities which, given current conventions [and various other domestic reasons], are not measured by national accounts statistics" (p. 27).

<sup>88</sup> The government launched the 1983 crackdown on the 23rd of March and several people were held and property confiscated by the National Anti Economic Sabotage Tribunal under the Anti Economic Sabotage (Special Provision) Act. The detainees were subject to the same treatment as those detained under the Preventive Detention Act of 1962. Maliyamkono and Bagachwa (1990) write: "The actions taken during the crackdown beginning on 23 March 1983 were codified retrospectively by the Economic and Organised Crime Control Act 1984 No. 13 (Principal Legislation) which listed and defined these economic offences in the schedule: exchange control offences; bribery and corruption; bribery of participants in sports events; hoarding commodities; leading organized crime; hoarding of money; fraudulent schemes, games, and artifices, theft of public property, etc; persons conveying or having possession of goods

Edward Sokoine outlined their activities:

"in border regions, he said, they smuggled out goods which they then sold, and bought goods to smuggle back and sell at high prices; people registering as tour operators engaged in foreign exchange fraud; people with import permits over-invoiced them and retained the difference; some people in Government and parastatals paid in foreign currency were paid in local currency and credited with the difference; some telephone subscribers did not pay their bills because they knew the staff; some diplomatic personnel abused the personal imports regulations; bogus contractors hoarded building materials in order to inflate costs later" (quoted in Maliyamkono and Bagachwa, 1990, p. xiii).

Later, Prime Minister Sokoine identified four major groups that dominated racketeering as (i) "dealers who smuggled out foreign currency, especially via tourists"; (ii) "those who smuggled out of the country property and goods like cattle, gold, ploughs, medicines, radio sets and batteries"; (iii) "hoarders, profiteers and speculators who exercised some sort of monopoly buying large quantities of goods, storing them, and so exacerbating the scarcity of essential goods"; and (iv) "a group of Government and parastatal leaders who either directly or indirectly collaborated with these economic saboteurs" (quoted in Maliyamkono and Bagachwa, 1990, p. xiv).<sup>89</sup>

Maliyamkono and Bagachwa (1990) differentiate between two approaches to the second economy: the conventional dysfunctional approach - which sees such activities as mere passing phenomena "reflecting moral decay or the disintegration of standards of proper behaviour ... [or] departures from established economic and social norms of equilibrium" which are "necessarily antipathetic to the healthy development of modern economic and social service structures" (p. 30); and an

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suspected of having been stolen or unlawfully acquired; unlawful sale of designated authority goods; authorization of unlawful supply of designated authority goods; occasioning loss to specified authority; cattle theft; stock theft; interfering with a necessary services (National Security Act, 1970); using firearms, etc; offences against conservation of wildlife; offences in relation to the Gemstone Industry (Development and Protection) Act 1970); unlawful prospecting, etc.; offences in relation to the Diamond Industry Protection Ordinance, and theft of mail matter" (p. xv).

<sup>89</sup> Maliyamkono and Bagachwa (1990) present a detailed analysis of the manner in which these activities are carried out, the size of such activities and their sectoral distribution. See, for instance, chapters 2-4.

alternative view - which sees second economy activities not as a passing phenomenon but as a "vibrant and steadily rising economic sector", fulfilling, at least in part, "positive functions which are not adequately fulfilled by existing social economic structures" or as "adaptations to social or market forces working towards societal harmony or equilibrium", "a healthy reaction to the pathology of the state" (pp. 32-33).

Next, they discuss the growth of the informal sector<sup>90</sup> and see the second economy as the "broadening and intensification of informal sector activities in almost every aspect of economic life" and, unlike the usual characterisations of the informal sector, not confined to urban areas alone (pp. 34-35). This enables them to include "not just the usual informal self-help activities often initiated with honest (legal) objectives in the face of bureaucratic indifference or outright hostility" but also "activities with illegal objectives such as drug trafficking, smuggling and poaching" in their understanding of the second economy.<sup>91</sup> But they further divide this latter class of (illegal) informal sector activities into those originating from within the government sector (i.e., those involving misuse of government machinery and privileges) and those originating outside the government sector (including smuggling, drug-trafficking, black-marketeering, etc.).

Maliyamkono and Bagachwa discuss six factors that contributed significantly to the "expansion of the informal sector and hence the growth of the second economy": (i) rural-urban migration in search for jobs; (ii) declining employment opportunities in the formal sector; (iii) declining food availability; (iv) disincentives for the expansion in the formal sector, including excessive and inefficient government regulations; (v) inadequate legal and institutional control mechanisms to back up and supervise the government's interventionist programmes; and (vi) the economic crisis (pp. 37-40).

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<sup>90</sup> Maliyamkono and Bagachwa (1990) define the informal sector as "groups of semi-organized and unregulated activities ... largely undertaken by self-employed persons" - which the earlier dual economy model was incapable of dealing with; see p. 34)

<sup>91</sup> Such a definition would also bring within the scope of the second economy, the much smaller-scale of activities are represented by the *matapeli* or the conmen who also seek to defraud, on a much smaller scale than those mentioned earlier, but with higher visibility.

But equally, it does appear that this is an excessive number of factors and perhaps the main ones are just two: (i) the failure of the state-controlled planned economy to provide adequate economic growth, employment and social services (including food and basic commodities); and (ii) the series of international events in the 1970s which affected the growth prospects of a vulnerable developing economy.

A possible response to the counter-factual question of whether or not the second economy would have grown in the same proportion in the absence of the external shocks is to say that the "silent dissatisfaction and the withdrawal from the official market to black market" (Maliyamkono and Bagachwa, 1990, p. xi) were inevitable consequences of the structural features of the statification of economy and civil society and to argue that the external shocks leading to the economic crisis had only pushed forward the growth of the second economy by a few years. In other words, the second economy has an internal dynamic of its own.

It is clear that the state was central to the operations of the second economy, since, as Maliyamkono and Bagachwa point out, it was the state which defined what was legal and illegal as also what was public and what was private (p. 48). Since the state regulates economic activity through policy directives and administrative machinery, they point out that "the very authority, legitimacy and credibility of the state depends on its success in regulating and enforcing its policy directives" (id.). If the emergence of the second economy is placed against this background, it can be clearly seen "as a reflection of the weakening of state control, and [of] not only the inability of the state to provide the basic needs of the masses but also its ineffectiveness in controlling and co-ordinating its excessive interventionist programmes" (ibid., p. 49).<sup>92</sup>

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<sup>92</sup> In this context, it is significant to note that following the intensification of the crisis and the significant cuts in public expenditure on social services in the mid- and late-1980s, various non-governmental organisations have come up, including those providing the population with alternative means to satisfy various basic needs (like security and medical facilities), professional organisations to protect various group interests, and organisations to safeguard the environment, women's interests and those of youth. But these being more a phenomenon of the latter part of the 1980s when the liberalisation attempts were in place, are dealt with in the next chapter. See, especially, section 4.4.5.

### 3.6. Conclusions

The Tanzanian state which, under Nyerere, adopted the goal of *ujamaa* socialism through the Arusha Declaration of 1967 set in motion far-reaching changes in the economic and political structure of the country. These included the nationalisation of all assets (including capital, land and all natural resources), the formation of an elaborate system of state-control over production and exchange (including *ujamaa* villages, parastatal organisations and price and exchange rate controls), the enforcement of egalitarian systems of income distribution (including curbs on salaries and wage earnings), and the incorporation of all social groups within the ambit of the party (including organisations of potential dissent such as youth, women and workers).

In the late 1970s, the economy faced a crisis of unprecedented proportions brought on partly by the structural features of the economy and the deteriorating performance of the agricultural sector, and partly by the external shocks to the economy, such as a worsening international terms of trade, droughts and floods, the break up of the East African Community and the war with Idi Amin's Uganda. The main impacts were a set back in industrial and economic growth and severe economic hardship for the people. It was partly in response to this worsening economic situation and partly in response to the administrative inefficiency of the state that the period from the late 1970s onward saw the enormous growth of the informal sector and the parallel or second economy. More than the economic crisis, however, it is the development of the second economy that is an important indicator of the failure of statism in Tanzania.

The next chapter discusses the various measures adopted by the government of Tanzania to tackle the continuing economic crisis and the proliferation of the second economy. An important feature of the period after 1982, however, is the shift in the state's approach towards the second economy as part of a larger effort at economic and political liberalisation.

## Chapter 4

### Indigenous and Sponsored Liberalisation in Tanzania

#### 4.1. Introduction

Though it is convenient to date Tanzania's commitment to policy reform from 1986, when Tanzania agreed to the conditionalities that the IMF placed on financial assistance, and to see this being facilitated by the election of President Mwinyi in the fall of 1985, there are strong indications of change in the economic mood at least three years before the Presidential succession. The year 1984, in particular, stands as a milestone with the 1984-5 budget introducing partial trade liberalisation, removing (certain) subsidies, increasing agricultural producer prices and introducing user fees in selected social services. The Tanzanian shilling was then devalued substantially and the private sector was consciously encouraged and promoted through institutional reforms relaxing government controls over the economy. The next section traces the negotiations with the IMF, since they began in 1979, and argues that in fact all the indigenous liberalisation attempts were based on the original proposal of structural adjustment given by the IMF in 1981, and that these differed from the post-1986 reforms only in terms of degree.

The impact of the reforms on the social and economic structure of the economy was substantial, with widespread agreement about increasing hardship felt by both the urban and rural populations following the abolition of subsidies and the inflation following the devaluations. This trend has intensified after 1986 with substantial cuts in public expenditure on social services which exacerbated the precarious economic situation created by the massive devaluation and price decontrol. The third section outlines these effects, dividing them into direct and indirect effects, including among the latter the substantial growth of the second economy.

The initial response of the government, both to the rise of the second



economy and the continuing economic crisis, was to tighten its own internal structure and operational efficiency. This was mainly done through a stronger rhetorical commitment to the ideals of *ujamaa*. But with corruption and patronage worsening as the crisis and the economic hardship intensified, measures like the crackdown on 'economic saboteurs' had to be repealed in the twin interest of utilising the foreign exchange circulating in the second economy as well as of appearing more liberal to the international donor community. This uneasy coexistence of *ujamaa* socialism and liberalisation trends has caused an 'ethical duality', as the fourth section details. This section also discusses two major consequences of this ethical duality: firstly, a need for secrecy regarding the exact details of the reform; and secondly, a dissatisfaction with the ideals of *ujamaa* socialism. The latter was manifest in two distinct ways, the growing pressure for economic reform from within the government apparatus itself and a growing demand for a multiparty system. This last resulted in the Zanzibar Declaration of 1991, which overturned many of the precepts of the Arusha Declaration. It also succeeded, in 1992, in forcing the government to allow the formation of other political parties.

#### **4.2. Structural Adjustment and the IMF**

A major factor in the deepening economic crisis in Tanzania which started in the late 1970s was the shortage of foreign exchange. As discussed earlier (section 3.4.2), this was caused by two basic factors. Firstly, there were several unexpected demands on national foreign exchange stocks, including, the oil price hikes which increased the prices of many essential imports required by the manufacturing industry and the transport sector (such as machinery, petroleum and petroleum products, vehicles and industrial raw materials), an unwanted war with Uganda,<sup>93</sup> and food imports for famine and flood relief. Secondly, by the late 1970s the country's export revenue was low and falling, because of a fall in producer incentives in the country's main exports, agricultural export crops. These effects were exacerbated by the inefficiency and corruption within the parastatal organisations and the government

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<sup>93</sup> Biermann and Campbell (1989) quote Avirgan and Honey (1982) to state that Tanzania responded "rather hesitantly" to the Ugandan war.

bureaucracy (e.g., Maliyamkono and Bagachwa, 1990, chapter 3, especially, pp. 68-71, 86-94).

Since the country had not of course become economically self-reliant, its industrial production, agricultural production and infrastructural services were all adversely affected by the shortage of foreign exchange. The country therefore desperately needed foreign assistance, not only to finance its industrialisation and modernisation effort but also to provide the machines, vehicles, raw materials and fuel to run its economy and emerge from its economic crisis. It was in this context of crisis management, with "less than one week's worth of foreign exchange needed to cover the average import bill", that the government approached the IMF for financial assistance in early 1979.<sup>94</sup> This section seeks to show that the liberalisation measures adopted by the government over the period 1982 to 1986 were heavily influenced by the 1981 IMF proposals for reform, which the government had initially rejected on the basis of the anticipated adverse social effects. After briefly outlining the process of negotiation until the signing of the agreement with the IMF in 1986, complete with conditionalities, and after sketching the various indigenous programmes of economic liberalisation, the section points out the similarities between the IMF-sponsored reform and the indigenous reform as well as between both these and the memorandum submitted by the IMF to the Tanzanian government in 1981.

#### 4.2.1. IMF and Crisis Management : The Initial Years

The initial negotiations with the IMF in 1979 were partly successful but as Stein (1990) writes, "[a]ttempts to formulate a major program led to a breakdown in negotiations by the Fall of 1979, after the government rejected a stringent but

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<sup>94</sup> This was not the first time that Tanzania had approached the IMF for financial assistance. In 1974, the country had drawn on its non-conditional gold tranche and had been granted the low-conditional first credit tranche and the first oil facility. But following a further deterioration, its request for a second credit tranche (for "an extraordinary credit allowing for financing basic industrial imports" (Biermann and Wagao, 1986, p. 142) was made conditional on "domestic credit use by the public sector" (Biermann and Wagao, 1987, quoted in Stein, 1990, p. 4). Stein (1990) writes that "at a period when the state was interested in expanding its domain and influence, any constraint on the financial instruments to accomplish this was unacceptable" and negotiations continued through 1975 and 1976 "with the government drawing on the low conditional facility, and the compensatory financing facility" ( p. 4).

typical set of IMF conditions ... [including] significant devaluation, a wage freeze, abolition of price controls, higher interest rates, a relaxation of import controls, and a reduction in real government spending" (p. 5).<sup>95</sup> There seem to be two accounts as to what happened next. Stein (1990) maintains that "with the continuing deterioration, by 1980 Tanzania returned to the bargaining table" (p. 5). But Kiondo (1990) writes that after Tanzania rejected the IMF conditionalities of 1979 - "as a matter of principle : that it was totally unacceptable for the IMF to meddle with its economic policies" (p. 28) - Nyerere first "castigated the IMF for taking advantage of Tanzania's economic crisis in order to replace its *ujamaa* policies with capitalist oriented ones" in his New Year address to the Reception of the Diplomatic Corps in Tanzania in 1980, and then organised an international conference called the Arusha Initiative along with Jamaica "where the IMF was criticised for similar interventions in Manley's Jamaica" (p. 28)<sup>96</sup>.

A three-year standby financial agreement was concluded in September 1980, which, importantly, did not include the condition of devaluation - the major objection that Nyerere had raised earlier (Stein, 1990, p. 6; Biermann, 1988, p. 176; and Biermann and Campbell, 1989, p. 73). Maliyamkono and Bagachwa (1990, p. 12) point out that Nyerere's government was not opposed to the principle of devaluation (indeed, Biermann and Campbell (1990, p. 78, note that it had been used several times as a policy instrument in 1979) but to the magnitude and timing that were being proposed. Nyerere's main fear was urban violence consequent upon the removal of food subsidies and the rise in the cost of living - through the inflationary effects of the devaluation - given that there already was considerable hardship due to the economic crisis. The timing was also important, for, as Maliyamkono and Bagachwa, (1990) write, "if it were to take place [in rural areas] after the harvest had been sold, low-income peasants with insufficient cash reserves and [who] had no access to credit would be worse off because they could not afford the increased

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<sup>95</sup> Stein (1990) writes, quoting Green (1983, p. 357) that "[i]n early 1979, an interim program was constituted providing the country with a compensatory fund facility, and access to the first credit tranche. Tanzania was forced to devalue by an eighth to over eight shillings per dollar, but had trouble meeting other targets" (p. 5).

<sup>96</sup> Kiondo refers this account to *Development Dialogue*, number 2, 1980.

prices of food and agricultural inputs immediately following devaluation" (p. 12).

Nevertheless by November 1980 the government could not reach the targets set by the agreement of September 1980, partly because of high public sector expenditures, and the IMF credit was consequently frozen (Biermann, 1988, p. 176). Thus the crisis continued through 1981, as did the negotiations, "despite Nyerere's critique" (Biermann and Campbell, 1989, p. 74). Although discussions in March and July 1981 ended in discord, the IMF presented the government with a memorandum in September 1981 with a possible programme. According to Stein (1990; p. 7), this proposal included:

- (a) a devaluation of between 50 and 60 percent followed by monthly adjustments;
- (b) targets for reductions in the budgetary deficit and bank financing;
- (c) a wage freeze for the first year;
- (d) "commercially sound" parastatal policies, eliminating several subsidies;
- (e) raising interest rates and eliminating subsidies on lending rates;
- (f) increased producer incentives to farmers;
- (g) removal of input import controls leading to price liberalisation; and
- (h) the adoption of a single licensing system.

There is some more discrepancy in accounts at this point. Biermann and Campbell (1989) hypothesise (given the strict silence by the Tanzanian media) that an agreement must have been concluded, but nothing came of it because the IMF cancelled loan agreements to some 15 countries, including Tanzania, in April 1982. Stein (1990), however, states that the government rejected this programme and negotiations lapsed for seven months (Stein, 1990, p. 7). As Stein (1990) explains, "[a]t this juncture ... the IMF policies were ideologically unacceptable and difficult to implement given the problems with the marketing boards" (p. 7). Whatever the truth, the point remains that the government was once more bereft of financial assistance from the IMF and the crisis continued to worsen, with droughts in 1981-82 further affecting exports and also creating a need to import food (Maliyamkono and Bagachwa, 1990, pp. 4-5).

Yet Stein (1990) points out that it was this proposal that was "largely implemented between 1982 and 1986 [in the guise of the various indigenous attempts at reforming the economy] and also through the 1986 agreement [with the IMF on structural adjustment]" (p. 7). With a worsening crisis, Tanzania was forced back to negotiations with the IMF and the World Bank in August 1982. But, with the growth of nationalist sentiment as well as the hard-line posturing of the international financial core, these were abandoned in a mood of hostility. Biermann and Campbell (1990) note, on the one hand, that "on-going IMF negotiations were ... interpreted from a nationalist perspective so that apprehensions about an impending loss of political autonomy remained a valid argument in a society whose socialist model had been generally appreciated". On the other, they note that "[w]hereas in 1980 the IMF had been obliged to improve its reputation among African debtor states, the deepening global depression made conciliation unnecessary ... [and] further, crisis management among the core capitalist countries had significantly tilted politics into a hard-line posture against the Third World." This "moulded bilateral negotiations between the Fund and Tanzania with IMF conditionality leaving no room for manoeuvre or compromise" (pp. 77-78).

In addition, by the early 1980s, other foreign donors were alarmed by the rapid deterioration in Tanzania's balance of payments and the mounting debt repayment. Some bilateral donors, including Britain, Germany and the United States "who, up to 1982, had been sympathetic to Tanzania's economic policies", began to side with the IMF and the World Bank and "tied their assistance to Tanzania on condition that an agreement with the IMF is reached" (Kiondo, 1990, p. 29; Biermann and Campbell, 1990, p. 77). Kiondo quotes Osborne's (1988) account of the British position, which apparently was the voice of the rest of the donor community (except the Scandinavian countries): "British aid policy is to support economic reform. Because it was thought that aid to Tanzania in recent years might not be used to maximum effect, no new capital aid projects have been started except activities such as road maintenance to protect earlier investments. Other donors have adopted somewhat similar policies... Britain has promised substantial support to help implement an economic reform programme in Tanzania if one is agreed with the International Monetary Fund" (p. 29). Kiondo (1992, Table 2.1., p. 25) illustrates

the decline in net disbursement of overseas development assistance to Tanzania from a peak of 702.7 million US dollars in 1981 to a low of 486.9 million in 1985, a decline of more than 30 percent in a period of 5 years.

Maliyamkono and Bagachwa, (1990), however, argue that Tanzania's traditional donors did not "give up on her, despite the IMF argument that lending should depend on prior agreement", but that this period coincided with conservative market-favouring governments in these donor countries (p. 114).<sup>97</sup> and this meant that "the IMF was able to pressurise Tanzania with more intensity" (p. 115). They quote the former British Foreign Secretary, Geoffrey Howe to say: "only by agreeing terms with the 'international financial institutions' would African countries find willing donors in Europe and the US. 'There is ever wider recognition that peace and reconciliation, political stability and the discipline of economic liberalism are the key to national recovery'" (id.). Further, fearing pending insolvency, many private banks "drastically reduced their credit lines and finally cancelled them in 1984" (Biermann and Campbell, 1989, p. 74). Later, according to Campbell (1990), "representatives of the Fund lobbied the Nordic States - the biggest donors to Tanzania - saying that their aid needed to be monitored more responsibly" and subsequently, "the long-standing western "donor" agencies of the Nordic States joined in the call for an agreement with the IMF in what was described as the need for discipline in the Tanzanian bureaucracy" (p. 59).

This is the background to the Tanzanian government's attempts to reach a compromise with the IMF which took the form of attempts at indigenous liberalisation over the period 1982 - 1986 and which, according to one analyst, was basically the memorandum for action proposed by the IMF in 1981 (Stein, 1990).

#### 4.2.2. Conditionalities and Indigenous Liberalisation (1982 - 1986)

Alongside the negotiations with the IMF, the government introduced an emergency strategy for dealing with the crisis called the National Economic Survival Programme (NESP). Announced in May 1981, the NESP was however not a

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<sup>97</sup> The reference obviously is to Reagan in the United States, Thatcher in Great Britain and Kohl in West Germany.

success. It has been described as a "hasty, ill-conceived, and ineffective program" (Stein, 1990, p. 8) and as "a set of incoherent targets" (Maliyamkono and Bagachwa, 1990, fn 18, p. 182), with its principal weakness being unrealistic targets and a reliance on state directives for economic action. Thus, Loxley (undated mimeo; quoted in Kiondo, 1990, p. 28) writes: "It relied principally upon directives to state entities and moral exhortation to peasants and workers. But directives per se were of little value in a situation of acute goods shortages and the mobilisation of workers and peasants on a purely political basis was, by 1981, almost futile in Tanzania". The evidence demonstrates that the plan was not based on a realistic view of the economic capacity of the society. Stein (1990) shows that targets were ridiculously optimistic and running as high as 16 times the level of production in previous years. With such unrealistic targets, based in part on a lack of an understanding of the technical limits of 'hoe agriculture', the party and government called on the peasants to double production. The rural population could hardly make sense of the exhortation of NESP to produce more when the bureaucrats and managers were openly flouting the egalitarian ideals of *ujamaa*. With its design inadequate to mobilise people and resources, the NESP performed badly and most variables (exports, industrial output, etc.) moved in a direction opposite to the one projected.

By 1981, the government had abandoned the NESP and had embarked on another reform programme, this time with the help of the Tanzania Advisory Group, "an external Independent Advisory Group of sympathetic academics" (Stein, 1990, p. 9).<sup>98</sup> Termed the government's "first major attempt to redress the deteriorating economy" (Maliyamkono and Bagachwa, 1990, p. 8), the Structural Adjustment Programme (SAP) covered a three-year period from 1982 to 1985 and aimed to "restore public sector finances, reduce inflation, and to improve both external and internal balances". It also aimed at "restructuring the economic activity through a system of incentives to producers, rationalising Government spending, introducing

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<sup>98</sup> According to Kiondo (1990, fn. 5, p. 43): "The Tanzania Advisory Group (TAG) was established in late 1981 on the basis of an agreement between former President Nyerere and the former World Bank President McNamara. It was financed by an IDA Technical Assistance Credit. The members agreed upon by both Tanzania and the World Bank were Messrs. Michanek (Head), C. Pratt and C. K. Helleiner. Professors B. Van Arkadie and J. Loxley served in the group's Secretariat".

measures to improve capacity utilization and labour productivity, and strengthening the planning system by instituting more effective budgeting, monitoring and enforcement of priorities" (ibid., pp. 8-9).

In concrete terms, the government increased the level of incentives to agricultural producers as well as investment in agriculture, devalued the currency, sought to rationalise the marketing and distribution systems through various measures, including the abolition of restrictions on inter-regional trade, the system of pan-territorial pricing for agricultural commodities and the crop export taxes and the reduction of the list of items with price controls (Maliyamkono and Bagachwa, 1990, p. 9; Eriksson, 1991). But although these measures succeeded to some extent in "reducing costs and increasing the efficiency of Government operations", the success of SAP depended crucially on anticipated foreign capital inflow which did not materialise (id.). Thus, the SAP measures did not halt the declining growth in the productive sectors of industry and agriculture and inflation continued to rise at 30 percent per annum and shortages of food and consumer goods were continued.

The SAP, however, is an important attempt at reform since it contained elements of the proposal outlined in the previous section and signalled "a significant departure from the previous dominant mode of thinking within the state" (Stein, 1990, p. 9). Yet at that time the Minister of Planning felt that the SAP "would enable Tanzania to revive the economy *without prejudicing government policy on socialism and selfreliance*" (Biermann and Campbell, 1989, p. 76, emphasis added). This combination of liberalisation and *ujamaa* ideology within the SAP is perhaps explained by the twin imperatives of indicating to the international community that it was prepared to go along with the IMF while keeping in line with the official party ideology. Thus, Stein (1990) notes that "like the IMF, SAP recognised the need for control of the overall financial aggregates [but] only at a more moderate rate of truncation" (p. 9). He then notes that there were, however, several areas of discord still and these were the areas that appeared to preserve the elements of the socialist model that had been operating. Thus, Stein (1990) writes, "while proposing liberal elements, the SAP still contained a series of directive policies, particularly with respect to controlling parastatals" and quotes from the SAP document a "threat of 'appropriate action' against those responsible for 'flagrant departures from



budgets" (p. 10).

Further, the government took the attitude that visible signs of economic crisis like shortages of food and essential commodities were because of the operation of 'economic saboteurs' (see section 3.5.3 in the previous chapter) and concentrated efforts on clamping down on activities such as hoarding and black-marketeering (Maliyamkono and Bagachwa, 1990, especially the Prelude). This diverted attention from what are, arguably, the real causes of the crisis and which liberalisation measures even in the SAP were attempting to address. Thus, it seemed that the crisis was being 'attacked' by the government separately from its plans for re-starting economic growth. Thus, Stein (1990) writes that "increasing centralization and control through directive measures continued beyond the introduction of SAP" and that the Anti-Sabotage Act of 1983 was "clearly the most overt attempt by the state to extend its punitive arm in support of central control of the economy" (p. 10).

By 1984, however, the pressure by donor countries was beginning to push Tanzania in the desired direction and the June 1984 budget announced significant liberalisation measures including abolition of subsidies in various economic sectors (notably maize flour and fertilizers), reduction of a number of commodities from the price-control list and the devaluation of the Tshilling (Biermann, and Wagao, 1986, p. 146; Malima, 1986, p. 134 and Kiondo, 1992, p. 25).

But perhaps the most radical aspect of the budget of 1984 was the fact that, for the first time, the government took the line that the crisis was not the result of economic sabotage, and instead that such activity was to be condoned in the interests of the country. This 'absolution of the saboteurs' took the form of partial trade liberalisation measures whereby people with their own foreign currency were allowed to import commodities and sell them at market-determined prices (Ndulu, 1984; Maliyamkono and Bagachwa, 1990; Kiondo, 1990). The government, following the lead of the then premier Edward Sokoine first allowed residents to import commercial vehicles (particularly pick-ups) "whenever they could secure foreign exchange outside the official allocation system" (Maliyamkono and Bagachwa, 1990, pp. 14 and 115) and then extended this provision "to cover the importation of a specified range of consumer, intermediate and capital goods by introducing the own-funded import scheme" (p. 14). In addition, an 'export-to-

import' scheme was introduced whereby exporters were allowed to retain 10 per cent of their export revenue. In fact, Biermann and Wagao (1986) write, "the government offered absolution to the racketeers who hoarded the foreign currency" and virtually invited them to "invest their money-capital and to import duty-free, those commodities that were not locally available" (p. 146). Despite its ideological implications, such partial trade liberalisation significantly improved the foreign exchange situation with the provision of a "second window" value for the shilling, while retaining the official value" (Kiondo, 1990, p. 30) permitting illegal foreign exchange to be used for the country's economic development.<sup>99</sup>

Kiondo (1990, p. 26) feels that this particular reform was politically significant for two reasons. In the first instance it offered another, significant, indication to the IMF and to the donor community that the government was ready to cooperate, since the devaluation issue had been almost the only point of disagreement between the government and the IMF. Thus, according to Kiondo (1990), partial trade liberalisation became "the central dynamic force behind the current liberalisation movement but it also provided a compromise between the government and the IMF on the long-debated issue of currency devaluation" (pp. 25-26).<sup>100</sup>

Secondly, and perhaps more importantly, this legitimisation of the activities of the domestic second economy not only spurred its growth but also won for its operators, "supporters in the Party and government" under the banner of liberalisation (Kiondo, 1990, p. 30). In fact, as Malima (1986 : cited in Kiondo, 1992, pp. 26-27) observes, attempts to control the prices of imported goods (after 1984) were resisted not only by the business interests but also "by their spokesman in the party and government". The partial liberalisation of trade was novel and unprecedented and follows a shift in the government's perspective on the second

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<sup>99</sup> Campbell (1986), thus writes, "[i]n reality, the liberalisation of trade was a surreptitious route by which the state could institute a dual exchange rate" (p. 21; quoted in Kiondo, 1990, p. 30). Kiondo (1990) notes that the price of commodities in the shops were at the prices set by the importers with their own exchange - even when the street price of dollar was TSh 150 when the official rate was only Tsh 17.

<sup>100</sup> The IMF had demanded massive devaluation as one of the key pre-conditions for an agreement while the government had conceded only a modest exchange rate adjustment (e.g., Kiondo, 1992, Malima, 1986).

economy, as Maliyamkono and Bagachwa, (1990) point out, from an undesirable passing phenomenon to a vibrant and steadily rising economic sector fulfilling some positive functions not adequately fulfilled by existing state structures (pp. 32-33). Thus, the 1984 budget was not, as Stein (1990) asserts, "simply a continuation of a trend" in all respects and in particular, it is not entirely true that "there [is] ... no new socio-economic approach as such" (p. 11). With both external and now internal pressures, the government had virtually irreversibly committed itself to reform by 1984.<sup>101</sup>

But as a precondition to an agreement with the IMF, the government had to produce a three-year programme which "defined the nature and scope of reforms that Tanzania was going to undertake" (Kiondo, 1990, p. 31). This was the Economic Recovery Programme, adopted in July 1986, and constituting an organic extension of the Structural Adjustment Programme of 1982-85. It aimed at the gradual attainment of a sustained growth in real income and output, correction of external imbalances, reduction of the internal deficit and inflation and incentives for all types of producers (Maliyamkono and Bagachwa, 1990, p. 10). In August 1986, Tanzania submitted a "Memorandum on Economic and Financial Policies" to the IMF "indicating the adjustments it would undertake over an 18 month period" and on August 28th 1986, the IMF agreed to a standby arrangement subject to the government's performance on criteria it had submitted (Stein, 1990, p. 12).

Political leaders continued to emphasise that liberalisation in Tanzania was not just an event initiated by the 1986 signing of the IMF accord, but a social process with "transformatory ramifications linked to a continuum predating the accord" (Campbell and Stein, 1990, p. 6).

#### 4.2.3. IMF and Structural Adjustment (1986 - 1991)

The IMF's structural adjustment programme in Tanzania is embodied in the ERP and its successor programmes, the Economic and Recovery Programme 2 (ERP

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<sup>101</sup> As a continuation of the theme of external trade liberalisation, an Open General Licence (OGL) scheme was introduced in 1988 to extend the range of goods which could be freely imported (Eriksson and Lundahl, 1989, pp. 26-27).

2) implemented between 1989 and 1992 (also called the Economic and Social Action Programme (ESAP)) and the recently mooted Priority Social Action Programme (PSAP). The close similarity in the objectives and reform measures of these programmes and those of their predecessor programmes has led Maliyamkono and Bagachwa (1990, p. 18) to consider the former to be an organic extension of the latter. They write: "Indeed much of what was incorporated in the agreement with the IMF had been enacted previously. Slight differences between the SAP and ERP reforms relate to the speed and intensity of adjustment and the extent to which various policy instruments were relied upon to influence economic activity" (p. 18).

The details of this 1986 agreement include the following initial targets:<sup>102</sup>

1. an initial exchange rate adjustment followed by regular monthly adjustments;
2. ceilings on domestic credit of the banking system to the government;
3. limits on domestic assets of the banking system;
4. limits on total bank credit to certain major parastatals
5. cumulative reduction in external payments arrears through cash and limits on the accumulation on new debt;
6. limits on new external borrowing contracted or guaranteed by the government for 1986-87, a 1-15 year maturity range, and none permitted by the government or public sector guaranteed by the government; and
7. limits on the budget deficit.

Most of these were specified for each quarter over the period 1986-87 with reviews at the beginning and end of 1987, to decide targets for the rest of 1987 and 1987-1988 respectively. Other targets, such as for increasing real interest rates, producer prices, taxes on petroleum products and for reducing income tax rates, the number of controlled prices and salary increases, were similar to those contained in the ERP in terms of magnitude and pace. (Stein, 1990, p. 14). Tanzania was also prohibited from:

1. imposing or intensifying restrictions on payments and transfers of international transactions;

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<sup>102</sup> These are from Stein (1990, pp. 12-14) where full details are available. A summary of ERP measures is available in Maliyamkono and Bagachwa (1990), p. 10.

2. introducing multiple currency practices;
3. concluding bilateral payments on certain types of agreements; and
4. imposing or intensifying import restrictions for balance of payment reasons.

As Maliyamkono and Bagachwa (1990) summarise it: "Policy actions undertaken by the Government in pursuit of the ERP reform have included regular monthly adjustment in the exchange rate and introduction of a crawling peg; consolidation of the partial import liberalisation measures; measures to improve agricultural marketing structures, further relaxation of controls, and a more active role of increased producer incentives to stimulate agricultural output. These measures were to be accompanied by reforms in the fiscal, monetary and interest rate structures in order to cut down inflation, and to instil discipline and improve efficiency in the allocation of domestic resources" (p. 10).

In comparison with the Structural Adjustment Programme (1982 - 1985), Maliyamkono and Bagachwa (1990) write that the Economic Recovery Programme (1986 - 1989) has witnessed "deeper and more far-reaching institutional reforms, especially in the reorganisation of crop marketing institutions, the increasing role of the private sector in the various sectors of the economy and the scaling down of the quantity of public sector services" (p. 19).

In addition to the similarity of the 1986 reform package with its predecessor programmes, Stein (1990) points out that there are a number of similarities between this and the original 1981 IMF proposal that Tanzania had rejected. The extent of devaluation and the targets for bank financing and interest rates were roughly the same while other similar proposals included "liberalising price controls, reducing parastatal budget support, and removing subsidies from petroleum products" (pp. 14-15). There were some differences in degree, for instance, "producer prices were set in a more rigid range than in the 1981 memo". Although some conditions from the 1981 proposal had been dropped, including "reducing the subsidy on *sembe* [maize] and reducing import controls on essential inputs", these had already been undertaken in the indigenous liberalisation programmes of the previous years (through, for instance, foreign exchange owner/earner schemes). He thus concludes that "by 1986, Tanzania had largely accepted the package it had so vehemently rejected five years

back" (p. 15).

The 1986 standby agreement between Tanzania and the IMF was followed in October of the next year by a three-year Structural Adjustment Facility (SAF) with the third year "left open pending negotiations over an Extended Structural Adjustment Facility [SAF]" (Stein, 1990, p. 14). There was some delay in implementing the SAF in both 1987 and 1988 because of disagreements over the rate of devaluation, but the government finally agreed to speed it up. Although Tanzania passed all the IMF reviews until January 1988, it failed the last one, reportedly due to an excessive growth of money supply, and this made it ineligible for the final tranche (id.). In 1988, the World Bank gave a loan from its International Development Agency's "special program to assist low-income countries in Africa" which is reported to be "primarily for restructuring industry and for trade adjustments" (id.).

#### **4.3. The Impact of Liberalisation**

From the preceding sections it must be clear that liberalisation in Tanzania dates from 1982, when the government attempted to reform the economic system on its own, and not just from 1986, when the need to arrive at an agreement with the IMF forced Tanzania to accept the conditionalities of structural adjustment. But it is equally clear that the post-1986 liberalisation was qualitatively different from that in the preceding period in terms of both intensity of reform and speed of implementation. The final impact on the economic, social and political structures, thus, reflects a combination of these different attempts to liberalise the economy.

The reforms have had a generally favourable economic impact at the macro-level, especially after 1986. But, in addition to this direct impact on the variables it was supposed to affect, there have been three major indirect effects of the reforms since 1986: (i) greater availability of foreign exchange; (ii) greater growth of the second economy; and (iii) a drastic reduction in social service expenditure and, hence, in the provision of basic needs. But first the direct effects are discussed in greater detail.

#### 4.3.1. Implementation of reforms : Direct effects

In his speech to the National Assembly on the 16th of June 1988, the Minister of Finance, Economic Affairs and Planning summarised the achievements of the ERP (1986 - 1989) before presenting the Annual Development Plan and Revenue and Expenditures Estimates for 1988-89. This summary stated that the programme was "generally on track" with GDP having exceeded the population growth rate during in the two years after 1985 but not having reached the annual growth rate target yet. Government borrowing from the banking system had declined although the budget continued to depend heavily on foreign resources - "indicating the distance from a self-sustaining economy" (Maliyamkono and Bagachwa, 1990, p. 20). Inflation had fallen in 1986 and 1987 but was still well over the ERP target. And "foreign exchange continues as the major constraint although the declining trend in export earnings which persisted until 1985-6 has been halted and reversed" (id.).

In general terms, therefore, there were positive signs of economic revival with export crop production recovering significantly after having declined on a trend for more than a decade. As the quarterly review of the economy, Tanzania Economic Trends notes: "While ERP targets for imports have not been quite achieved, the very considerable build-up of imports has been sufficient to ease the veritable 'goods famine' of the early 1980s and to provide the incentive goods and inputs for the revival of agricultural production" (quoted in Maliyamkono and Bagachwa, 1990, p. 23). Food crop production and trade had also improved.

But this improved performance may not have been solely due to the producer incentives. As Maliyamkono and Bagachwa, (1990) point out, good weather in most parts of the country for the period 1985-88 may have been a significant factor in a country where "smallholder farmers who account for about 90 per cent of marketable agricultural output depend mainly on rainfed agriculture" (p. 22). They also point out that the increased export production has not led to increases in the dollar value of exports, partly because of the slump in world commodity prices in the early 1980s, and partly because of "ginning problems for cotton, processing difficulties for tobacco, cashew nut diseases and the general poor state of marketing and transportation of crops" (id.).

But after a decade or so of liberalisation efforts, there had been some 'dramatic effects' on the Tanzanian economy.<sup>103</sup> The number of goods with controlled prices had dropped from 400 in 1986 to 10 in 1990. The ratio of public to private investment had declined from 122 percent in 1981 to 38 percent in 1989. The Tanzanian shilling had been devalued from 17 to the US dollar in 1986 to 230 to the dollar in 1991. Real wages of government workers in 1991 were only 14 percent of what they were a decade ago. The total foreign debt has grown nearly by nearly half 3.5 billion US dollars in 1986 to 5.1 billion US dollars in 1989 (ibid.).

But there had been a failure to reduce the level of the overall budget deficit which "partly reflects the slow growth in public revenue which is a result of a combination of a low tax base, inefficiency in tax collection, growing incidence of tax evasion and the general low level of economic activity during the recession period" and partly "stems from government's reluctance to reduce recurrent spending which consists largely of wages and salaries of public workers whose incomes have already been severely eroded to bare minimums by the adverse economic situation" (id.). As seen earlier (see section 4.3) this led to the cancellation of the third tranche by the IMF in 1988.

More qualitatively, the new economic environment of increased competition has meant a greater availability of substitutes, in both the consumer and producer market, and with the increase in consumer options even parastatals have to compete for their customers. They have begun to advertise their goods and services and both private and parastatal firms have had to improve the quality of goods and cost efficiency (Eriksson, 1991).

Trade liberalisation and price decontrol have caused a decentralization of decision making, with a concomitant decrease in state intervention. But it has been suggested that these may be more apparent than real (Eriksson, 1991). While many state enterprises are now formally free to set their own prices, in reality the government still interferes in price setting. The pricing of goods and services perceived to be important, such as fares of air flights and rail journeys cannot be set without approval from the government although these services are not formally price

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<sup>103</sup> *Africa Recovery*, July-Sept. 1990, p. 14.



controlled. Entrepreneurial decisions remain centralised and operational decisions such as price and wage setting, decisions on employment, inputs and output are still highly (though not entirely) influenced by the bureaucracy. This implies that parastatal managers have little flexibility in cutting costs "by closing uneconomic lines, laying off staff, changing suppliers, and cutting down the various services they provide to staff" (World Bank, 1988b, p. 27). But, it appears that more competent managers are now being appointed (Eriksson, 1991).

The reform of parastatal organisations has only been superficially successful.<sup>104</sup> Although a number of parastatals have been sold to private operators or liquidated, many have only been transferred to other government institutions.<sup>105</sup> This process of parastatal reform is incomplete and, despite repeated commitments have been made to the reduction of public sector and the closure of loss-making parastatals, changes have been on a case-by-case basis and a comprehensive restructuring programme has been delayed (Moshi, 1990, pp. 3, 22, 31).<sup>106</sup>

Despite rhetoric since the mid 1980s, and particularly since the ERP of 1986, stressing the financial accountability of commercial parastatals, and pronouncements that loss making parastatals ought not to be 'bailed out', Moshi (1990) points out that the government itself has tried to 'bail out' inefficient parastatals (such as the National Milling Corporation). It has also converted bank loans unserviced by parastatals into equity. But the government is not alone in maintaining economic inefficiency. Pointing out that practically all parastatals receive donor support in one form or another, Eriksson (1991) notes that "since the heavy devaluations began in 1986, donors have become very active in attempting to bail out the recipients of their aid from the cash cover requirements", and further that "cost consciousness

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<sup>104</sup> For a listing of the more than 200 public enterprises still in operation, see IMF, 1991, pp. 732-733.

<sup>105</sup> Ngowi (1990) notes that only some twenty parastatals have been shut down and their assets either sold to private owners or handed over to other state institutions (p. 46). In agriculture, the activities earlier performed by Crop Authorities have been replaced by cooperative Boards (e.g., for coffee, cotton, tobacco and cashew). For further details, see Kiondo, 1992, pp. 32-33.

<sup>106</sup> A notable failure, is the inefficient and expensive national milling corporation (NMC), whose role and functions have been redefined many times but in practice has continued to perform and function in the same manner as before. Its institutional body has remained intact and in fact the NMC has recently expanded its activities into selling sugar in mobile retail outlets.

tends to be lower in aid financed projects" than in domestic projects.

With ERP 2, parastatals have been subordinated to a complex structure of supervisory and control agencies, with each parastatal being affiliated with a Ministry as well as, frequently, a holding company, particularly within trade and industry.<sup>107</sup> It remains to be seen whether or not this successfully instils economic discipline.

A significant change in the rural areas has been the informal transformation of land from public to private property through the introduction of long-term leasing of land in 1983. Large farms are now permitted to lease land from the state for 33 years and individuals for 99 years. Although, being the formal owner, only the State is able to own, lease and receive rent from land, once the land has been developed and cultivated, whatever is on the land may be leased by the user. While this has provided greater incentives to invest in agriculture, the practice does not seem to have become widespread.<sup>108</sup>

Areas within the infrastructural network still requiring reform are agricultural marketing and financial structure. The former has been on the agenda for quite some time but it still appears to be a politically sensitive issue.<sup>109</sup> But agricultural cooperatives, not formally state owned but resembling state organisations, have been re-introduced in 1984.<sup>110</sup> Subordinated to the party, they are financially dependent on the government like parastatals. In the banking sector,

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<sup>107</sup> The government is now, for instance, scrutinising the role of the holding companies and is considering merging and/or dismantling them. It is also setting up a new organisation to centralise the control of parastatals into one single body. For further details, see URT (1990), World Bank, (1988), pp 8-9; and Ngowi (1990).

<sup>108</sup> Land rights differ to a certain degree between crops and areas. In coffee-growing areas, or where cash crops are intensively grown, land rights are more developed and formal restrictions on user and property rights have not been enforced to the same extent as in other areas. A system of customary land tenure has developed which implies that land can be inherited and that clan land is legal.

<sup>109</sup> However, there are indications that more substantial changes might be forthcoming. The party has decided to let the cooperatives become independent organisations (*Daily News*, 17th July, 1990) after pressure for change from the donor community, for example. Nevertheless it remains to be seen whether the expectations regarding the dismantling of the NMC will be realised.

<sup>110</sup> Although originally a part of the rural production and marketing network, cooperatives were abolished in 1973 following political fears regarding their growing power and influence. See, for instance, Maliyamkono and Bagachwa, (1990), pp. 64-71.

despite wide-spread consensus about the need for reform, no institutional change has taken place although there have been several proposals.<sup>111</sup>

The government's attempts to reduce its own size have, however, had mixed success. Although ministries were pruned from 40 to 30 in 1985, they were back to 38 a few years later. Further, such reductions are largely superficial, having been through merging ministries or by re-designating state ministers (who had lost cabinet status but retained ministerial privileges).<sup>112</sup> Thus President Mwinyi (1987 cited in Kiondo, 1992, pp. 32-33) pointed out that although the government planned to lay off 12,000 of its workers, it succeeded in doing away with only 4,865. Retrenchment of workers was also affected in the parastatals and only about 22,500 had been laid off by June 1987. By and large, therefore, the state sector in Tanzania has remained intact during the implementation of economic programmes in the 1980s.

But the combination of the several 'austerity' measures introduced, such as the freezing of wages, the removal of subsidies for many basic commodities and the introduction of 'user' fees for social services that were previously free, have resulted in escalating prices. Thus, between 1979 and 1984, prices rose on average by more than 50 percent; rents increased by 85 per cent, fuel, light and water by nearly 60 percent, and personal care and health care by 50 percent. For urban dwellers, average retail prices of goods and services consumed increased by 100 percent between 1979 and 1987 with inflation averaging around 30 percent per annum from 1980 to 1988 (Cheru, 1989; Morna, 1990; Stein, 1990).

#### 4.3.2. Implementation of reforms: indirect effects

But perhaps the indirect impacts of these reforms are more important. Firstly

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<sup>111</sup> The Banking Commission has just submitted its report and recommendations. Introducing competition into the banking sector is considered important, and all banks should be free to provide all sorts of banking services. The National Bank of Commerce should be divided into three banks which compete on the same markets. It is also proposed that shares should be sold to private including foreign investors. The report has been well-received by the President who has promised to implement the recommendations speedily (*Daily News*, July 20th, 1990).

<sup>112</sup> These meant that the entire staff of merged Ministries has been retained and in essence, escalated expenditures since ministerial functions are sometimes replicated.

and obviously, international financial assistance to Tanzania increased significantly after it signed the agreement with the IMF. Maliyamkono and Bagachwa (1990) write that "ERP reforms have been essential in triggering off donor funding for imports, which as a percentage of GDP rose from its low point of 13 percent in 1983 to 38 percent in 1987" (p. 23).<sup>113</sup>

Secondly there is concern that the restrictions on public expenditure are "not directed at unproductive sectors such as military spending and administration, but are taken from expenditure on education and health" (ibid., p. 24). Military spending, for instance, had increased in the mid-1980s, when Tanzania increased solidarity military assistance to Mozambique and Green (cited in Legum, 1989) estimates that by 1987-88 this cost between US\$ 125 and 150 million. Side by side, the central government shifted the financing of primary education to local governments. This, according to Maliyamkono and Bagachwa (1990), has led to a "dramatic decline in the quality and quantity of education because local governments have failed to raise sufficient revenues to finance primary education" (p. 24). As a result, enrolment in primary schools had dropped by 16 percent from 99.7 per cent in 1983 to 83.5 percent in 1985 (ILO, 1988). According to UNICEF figures, real per capita expenditure on education was cut nearly by half from 30 TShillings per head in 1980-81 to 16 in 1989 (Morna, 1990). This has resulted in a shortage of desks, chairs, books, writing materials and a decline in the maintenance of school buildings (Roy-Campbell, 1992). The medical budget, similarly, reduced from about 7 percent of the total government budget in 1977-78 to 5.4 percent in 1982-83 to just over 2 percent in 1986-87 (Kiondo, 1990, p. 40). In real terms the expenditure on health declined by about 25 percent from 1978 to 1987 (Tungaraza, 1990). This has resulted in a shortage of medicines, beds and other medical supplies (Morna, 1990). President Mwinyi himself admitted in 1989 that "we had to put a great deal of emphasis on increasing production. It was not possible at the same time to put equal emphasis on the rehabilitation of the social services. The result is that these essential services have sharply deteriorated" (quoted in Morna, 1990, p. 13).

Thirdly there has been a rapid expansion of the second economy, in direct

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<sup>113</sup> They however go on to point out that a larger and growing proportion of this increase is on account of imports under the 'own funded' scheme (p. 23). This is discussed below.

contrast to the government's initial expectations while introducing the various partial import liberalisation measures. This has been traced both to an underestimation of the size of the second economy and also to its growth following the liberalisation measures (Maliyamkono and Bagachwa, 1990).<sup>114</sup> After the budget of 1984, Malima (1986 : cited in Kiondo, 1992, pp. 26-27) observed, "there is also some indication that liberalisation has led to an increase in the smuggling of our commodities outside our country ... as the scramble for dollars to import commodities which no one can afford mounts".

Contrary to the government's original expectation, that the own-funded scheme would not last very long "because residents would soon exhaust their foreign exchange holdings" (Maliyamkono and Bagachwa, 1990) observe that this was "an underestimation of the potential of the unofficial economy as a source of foreign exchange" and, in fact, own-funded imports are "increasingly becoming more important than those secured under the import support scheme from donors" (p. 14). Both this and the 'export-to-import' scheme have resulted in significant increases in the share of imports, rising from less than 5 percent of total imports in 1984 to 22 and 27 percent in 1985 and 1986 respectively (ibid., p. 111). Although the full impact of these schemes has yet to be established, they note that "in terms of government revenue generation, the effect has been positively spectacular. Customs duties and sales taxes levied on own-funded imports rose fourteen times from 77.4 million Tshillings in 1984 to 1,078.2 million in 1986 (ibid, pp. 111-112).

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<sup>114</sup> Maliyamkono and Bagachwa (1990) estimate that the size of the second economy, on a conservative estimate, was about 30 percent of total economic activity in the country, around 39 billion Tshillings worth in 1986 (p. 61).

#### 4.4. Ethical Duality and Political Re-assessment

##### 4.4.1. Ethical Duality

The party through this entire period and until 1990 was explicitly following and working under the ideals of *ujamaa* socialism, although it underwent a detailed and important self-examination. In 1981 it was acknowledged that the economic problems then gripping the country were partially a result of "our failure to lead the citizens", that "public resources were being destroyed or misused and there was an increasing tendency of misappropriation or embezzlement of public property" (CCM, 1981, pp. 22-80). In other words, the CCM openly acknowledged the fact of the crisis and also related it to its "inability to match its action with its own words". Addressing the issue of economic crisis, emergence of class contradictions and other current problems, the *Mwongozo* (Guidelines) emphasised the need to bridge the gap between *ujamaa* theory with practice.

Consequently, CCM (1981) emphasised its commitment to socialist objectives, and resolved to strengthen the ideological mobilisation of party members and non-members. The ideological commitment of the leadership was to enable effective supervision of the bureaucracy and to devise an effective system of training to perfect its internal organisation. In its 1982 meeting the party re-organised its structure, expanding and consolidating its secretariat with central committee members being chosen to head various departments of the secretariat.<sup>115</sup> These changes had significant effects in expanding the party administrative organisation with obvious attempts to assemble a bureaucracy that could work alongside the civil service and monitor it as well. In essence, these moves seemed to be directed towards enhancing the party's ability to control the state as well as the civil society - a means to "*kushika hatamu*" (hold the reins of power). Mukandala feels that this created a certain degree of elitism - "there are now ordinary members, cadres and

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<sup>115</sup> An overall secretary to the NEC (National Executive Committee), also to be the Chief of this Service of the party, was appointed. Regional commissioner and Regional secretary positions were split up. A party regional secretary was freed from government work and all regional secretaries were made members of the NEC. The size of the central committee was reduced from 40 members to 18 to make it an effective decision-making organ (Mukandala, 1990).

those who were *wakeri ketwa* (impassioned)" and the central committee, had begun to function "in a politburo fashion".<sup>116</sup>

This trend continued through the 1980s. Even as late as 1987 the Head of the Ideological Section of the CCM presented the 15 year party programme arguing emphatically for a need to enhance the productive forces in various sectors of the economy (Hartmann, 1991, p. 15). The document saw the role of the private sector/capital in ERP as "a temporary measure" thus indicating that the party had not changed its perspectives regarding private capital and had not formulated a new perspective which could conceptualise the changes that were taking place in the country.<sup>117</sup> Hartmann (1991) feels that the document failed to relate the attainment of "[party] objectives to the material and social capacity existing in the country" (p. 15). The *ujamaa* ideology seems to have become distant from the actual conditions prevailing in Tanzania as well as from the reforms taking place.

But it was clear to the rank and file that several sections of Tanzanian society were violating the norms of *ujamaa* socialism (section 4.2). Further, with the worsening economic crisis - centering on the shortage of foreign exchange, the government was forced to make structural adjustments of its own, not only to try and solve the crisis but also to try and appease its international creditors. This trend grew stronger especially after the budget of 1984. It is the inherent contradiction between private accumulation and its open encouragement by explicit government policies, on the one hand, and the party's rhetorical reaffirmation of *ujamaa* and its goals of egalitarianism, self-reliance and African socialism, on the other, that Kangero (1989) has called the phenomenon of 'ethical duality' in Tanzania. In particular, the leadership appeared hypocritical in its condoning of internal excesses,

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<sup>116</sup> "State power and political institutions in Tanzania in the eighties", unpublished and undated paper, but probably 1991 (since it was made available by the author in 1991).

<sup>117</sup> The CCM established a seven member committee (of outsiders) to inquire into the party's affairs, and some of its recommendations have already been implemented. These include cost-cutting measures like closing down the party mini-headquarters in Dar-es-Salaam and firing, retiring, or returning to government some of its employees. CCM has also been making efforts to cleanse itself and reduce duplication & overlap between itself and the government; instituting measures to attain financial self-reliance etc. Hartmann (1991), however, feels that "many of the ideas, concept and programmes of the party are a replay of the 1970s and early 1980s so that one has a sense of *deja vu* of being caught up in a sort of time warp" (p. 15).

both within the party and private accumulation within the economy when the rest of the economy was facing increasing economic hardship.

These contradictory trends drew strength from three further events. First was Nyerere's stepping down as the President of the Union Republic of Tanzania and the election of a known advocate of liberalisation, Ali Hassan Mwinyi in 1985.<sup>118</sup> Nyerere however stayed on as Party Chairperson. Thus Kangero feels that this duality became explicit in political terms with the election of a President with some political support for liberalisation and a Party Chairperson who opposed liberalisation.

Second, the increasing cuts in public expenditure on social services, following the 1986 agreement with the IMF, led to a deterioration in services such as education, sanitation and the decreased delivery of health care and those material goods on which the hegemony of *ujamaa* rested (section 4.3.2). This not only increased the hardship of both the rural and the urban population but appeared to openly flout stated aims of *ujamaa* such as universal primary education, health care and protection of the poor.

The third event, which further strengthened the trend started by the first event, was the 1987 Party Annual Meeting where, contrary to expectations, Nyerere did not step down as Party Chairperson and was re-elected for a further term. Thus the separation of powers in 1985, intended to be a temporary measure until 1987, continued. Nyerere's speeches at this Annual Conference reiterated the message of the 1967 Arusha Declaration and warned that the country's achievements of peace and unity would be endangered if injustice and inequalities were allowed to prosper because social differentiation would begin "to divide us into classes". He claimed that although flexibility in implementation of socialist policies was essential, specially in times of economic difficulty, this should not lead to doing away with *ujamaa* goals (Hartmann, 1991, p. 15).

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<sup>118</sup> Maliyamkono and Bagachwa (1990) note that as President of Zanzibar, Mwinyi "was quoted as hailing economic improvements for Zanzibar following the country's import liberalisation". They go on to observe that the two other presidential candidates at the time, former Premier Edward Sokoine and former Cabinet Minister Salim Ahmed Salim "saw liberalisation as the immediate option". While Sokoine took the first step in the partial trade liberalisation when he permitted the importation of pick up trucks, even before 1984, Salim liberalised the importation of *mitumba*, second-hand clothing at a public rally in the south of Tanzania (ibid., p. 115).



Throughout the 1980s, therefore, party supremacy continued to legitimise interference by party officials in decision-making at all levels of economic activity. Nonetheless it is true that under increased pressure from competition and reduced subsidies more ready approval was being granted from above for liberalisation measures (World Bank, 1988b, p. 34). But it is also undoubtedly true that the rhetoric of socialism along with legislation like the leadership code hampered the organisation of the legal instruments of the state for individual accumulation.

Three related consequences of the ethical duality are important. Firstly, the secrecy under which the reforms were made, including the signing of the agreement with the IMF, which contrast sharply with the media attention on the government's opposition to the IMF's conditionalities. The second and third, namely the growing support for economic liberalisation from within the government machinery itself and the growing support for a multiparty political system, are related, stemming from the undermining of the authority and capability of the single-party state from within itself, with the growing disenchantment of the wider population with the party and its ideology of *ujamaa*. These are discussed in the same order but in more detail in the three following subsections.

#### 4.4.2. Decision-making for Economic Reform

While the negotiations have been widely-discussed, the actual documents and policy measures are virtually inaccessible to the general public. All the discussions on the terms of the IMF agreement were held in secret to the point that even the members of the cabinet and the national executive of the CCM were apparently unaware of the specific conditions until much later. While the Prime Minister and the President continued to call for the accord without public discussion, the Chairperson of the Party publicly expressed his opposition to an agreement.

It was only at a special conference of the National Executive Committee (NEC) of the CCM, in April 1986, that the party gave its consent to the Minister of Finance to come to an agreement with the IMF. The Minister of Finance presented the argument for an accord in terms of the need for foreign exchange. The

party secretariat, responsible for economic affairs and planning, did not provide a counter and approved the signing without any further consultations - an explicit instance of absence of democracy within the party.

It has thus been pointed out by some critics that there was subterfuge in the approach taken by the Tanzanian government in signing the SAP document as well as in the implementation of reforms. Indeed, Kiondo (1992, p. 35) says "Tanzania's reforms are implemented in secretive, unplanned and undemocratic ways" and further goes on to give the instance of a Conference held by the managers of some parastatal organisations wherein, in a resolution, the managers publicly complained that the government kept them in the dark on the details of the Economic Recovery Programme. He also points out that the agreement itself is still a mystery to most Tanzanians.<sup>119</sup> Campbell and Stein (1992) state that "the Tanzanian population was never officially informed of the decision to come to an agreement" (p. 15).<sup>120</sup> Apparently, the Prime Minister once refused to discuss the Tanzanian government-IMF negotiations in Parliament by declaring that whether or not Tanzania reached an agreement was the prerogative of the government (Campbell, 1986, p. 16). From this, Kiondo concludes, that the nature of the state was changing with the changes in the politically dominant economic actors.

This approach of the Tanzanian government is inconsistent with its populist style and, especially, the guidelines of the party under the ideology of *ujamaa*. Consultations and public debates were denied even through the party structures. There could be two possible reasons for this: either, as Nyerere stressed, a fear that the IMF conditionalities could have volatile political consequences, capable of sparking off civil protests and disorder - and hence, the argument that the less the people know the better; or, the embarrassment of having to publicly embrace what the government has been known to have opposed fiercely and openly hitherto.

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<sup>119</sup> Kiondo (1992) asks, "When was it signed? What does it contain? Could Tanzanians have stopped it if they thought it was not in their interest?" (p. 35). He claims that the contents of the document were hinted at different points in time and the only reporting was on what had been done rather than consulting on what was to be done.

<sup>120</sup> The first public statement by the Head of the State that there was an accord came as an item in the government-owned *Daily News* in October 1986 when, in a meeting with a Minister with Scandinavia, President Mwinyi called for international support for the Economic Recovery Programme.

#### 4.4.3. Pressure from Within : The Quest for Economic Reform

Another consequence of the ethical duality was the growing support for economic liberalisation from the 'commanding heights' of the government. Following the initial rejection of IMF conditionalities and the deepening economic crisis, the movement for reform consolidated itself internally, with the IMF finding domestic allies who, in turn, found political supporters within the state. Thus, in answer to the question of why Tanzania went in for structural adjustment at the time it did, Biermann (1988) and Kiondo (1990) point to the growing political power of the pro-liberalisation technocrats and to the growth of 'domestic allies of liberalisation' within the government, respectively. This argument, however, is made in greater detail by Hodd (1986, 1987) but in the more general context of African countries.

Hodd (1987) overturns Bates's (1981) argument - that the ruling elites were against liberalisation because of the limited possibilities of private accumulation - by pointing out that the fact that several African countries did, in fact, go in for structural adjustment must indicate that these elites (after two decades of accumulation) might have now felt that either that they would stand to gain by the move or that it was time to "improve the circumstances of the larger community" (p. 342).<sup>121</sup> To him, thus, three factors influenced the timing of structural adjustment. Firstly, the realisation by the ruling elites that liberalisation could signal new opportunities to accumulate. Secondly, the growing ability of the World Bank and the IMF to persuade potential aid donors and commercial lenders that market-oriented reforms are essential. Thirdly, the rise to influential positions within African governments and bureaucracies of those trained in the same market philosophy that the World Bank and the IMF practised - through the extensive educational and training links built between Africa and the West, especially by institutions like the World Bank.

Biermann's (1988) analysis in the context of Tanzania is very similar. He

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<sup>121</sup> In support for this move towards sharing in the spoils, Hodd quotes the example of the "captains of industry in the 19th century in Europe and North America who turned to increasing philanthropy in the latter parts of their lives" (id.).

pictures the technocratic elite - those within the government "nominated according to professional qualification and entrusted with the management of the economy" who have now matured as a "separate entity within a politicised state apparatus" - as confronting the political leadership over the issue of reform and manipulating the latter into a position of compliance (p. 177). He goes on to interpret the period from the start of the negotiations with the IMF in 1979 to the actual signing of the agreement in 1986 as a case of this group of advisors and technocrats manoeuvring the government from within the 'commanding heights' of the state structure.

Kiondo (1990) adopts an intermediate position, agreeing with the Biermann-Hodd type of hypothesis, that the state acceded to liberalisation, "worn down by the pressures of international donors and heavily penetrated by the domestic allies of the donors", and also with the Bates type of hypothesis that liberalisation was resisted because it was antithetical to the interests of the ruling elites - "since these reforms amount to a reduction of the state bourgeoisie' ability to appropriate state resources for its own ends, and hence deprive it of its social base of reproduction" (p. 41).

Maliyamkono and Bagachwa (1990), however, prefer the simpler argument that the point from which Tanzania began to liberalise was tied in with the departure of Nyerere ("just two years before the impending retirement") and that given the "conclusive evidence that all three presidential candidates saw liberalisation as the immediate option", it is "only sensible to argue that Nyerere preferred a smooth transfer of power while bankruptcy was staved off" (p. 115).

#### 4.4.4. Demands for Multipartyism : The Quest for Political Reform

Perhaps the most important consequence of the perceived 'ethical duality' and the deteriorating economic and social situation (interpreted as a failure of the government's development strategies), is increasing disenchantment with the party and its ideology of *ujamaa*. Such disenchantment can decrease the capability of the state to continue to direct the implementation of reform. One measure of this disenchantment is the growing demand for political reform, for a multiparty political system (among other things). This growing pressure, boosted by the dramatic changes of Eastern Europe towards the end of 1989, forced the government to bring

the issue into the open.

Unofficially, however, the debate about competitive politics has been raging for some time now, and the issues being raised have in fact been traced to the Constitutional debate in 1983 (Kiondo, 1990). The debate, however, has been amorphous, unstructured, and disorganised and has also remained the preserve of the urban petty bourgeoisie, the intelligentsia and the media.<sup>122</sup> In particular, two issues appear to be confused: one, whether or not the single party political system ought to be replaced by the multiparty system and two, whether or not the CCM should continue as the (single) party in charge of the country. At issue here is the critical question of whether or not the single party system is democratic, guarantees and provides the population with adequate avenues for political expression and participation in the political process at all levels. But (as will be elaborated in the subsequent chapters on political responses), it would seem that the burning issue is democracy rather than single party versus multi party systems. The debate has, however, touched on several other issues, such as the analysis of the shortcomings and weaknesses of CCM, and whether or not it could correct, cleanse and restructure itself to eliminate weaknesses born of its unchallengeable monopoly of power.

The early government attitude to the emergence of such 'parallel politics' did not, however, create a conducive atmosphere for a well structured debate. When the pressure began in 1985, the government reacted in the mainland by arresting and detaining those who openly advocated multi-partyism, calling them *Wokorofi Wachache* or 'a few disgruntled individuals' (Mukandala, 1984).<sup>123</sup> There has, nonetheless, been a loosening up of restrictions on political discussions in the country thereafter.

An independent survey of political attitudes (Othman, Bavu and Okema,

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<sup>122</sup> The latter are basically nascent independent publications like *Family Mirror*, *Business Times*, *Moto*, *Radi*, *Mambosasa*, *Mizani*, *Sani*, and *Fahari*.

<sup>123</sup> In Zanzibar, criticism against the Union political and economic structures was termed a "pollution" of the political atmosphere and forced the 'resignation' of the then Vice President of the Union, Aboud Jumbe. It was to appease the political pressure for reform, that his successor Ali Hassan Mwinyi instituted some liberalisation measures to calm down the people's pressure. The Union government was also forced to institute some political reforms such as a promise to allow people to vote for the people's representatives and for the Zanzibar President.

1988) just before the 1990 Presidential election showed that over 69 percent of the sample surveyed still cherished the single party system while 17 percent wanted multi-partyism. Of the latter, 44 percent wanted a multi-party system because it implied greater democracy. Of those who preferred one party systems, 89 percent did so because of the peace and tranquillity it had brought and would bring. Further, 96 percent of those sampled thought that CCM should continue while slightly over half of the population in the sample would prefer a referendum on the debate (Othman, Bavu, and Okema, 1990).

Nyerere himself provided some encouragement to the debate when, in his valediction address in June 1990, he stated that "having one party is not God's will" and urged his countrymen to hold a national debate in the best Tanzanian tradition on the merits of multipartyism.<sup>124</sup> This gave the debate much needed legitimacy.

In January 1991 a Presidential Commission was announced to collect views of the people on the future of the country's political system to be headed by Chief Justice Nyalali (and hence known subsequently as the Nyalali Commission). But although it was to comprise some twenty people, half of them from Zanzibar, and the other half from the mainland, their names were not announced. Almost immediately, an independent 'Steering Committee' for the change to multi-partyism was announced, chaired by Chief A. S. Fundikira, a former Minister of Justice.<sup>125</sup> With the announcement of this Steering Committee, the government immediately gave a list of names of its own Presidential Commission, a list which included an independent lawyer who had already been named as the Secretary of the Steering Committee.<sup>126</sup> The government sought ways to legally curtail the activities of the

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<sup>124</sup> *Sunday News*, Tanzania, 3 June 1990. Salim Salim, the long time protege of Nyerere and the Tanzanian Secretary General of the OAU, urged African countries to heed the example of Eastern Europe by combining economic with political pluralism and in its July 1990 summit, the organization pledged "to democratize further our society and consolidate democratic institutions in our countries".

<sup>125</sup> The members included Kasanga Tumbo, a former trade unionist and founder of an opposition party in the early 1960s; Kasela Bantu, a former Member of Parliament who was expelled from the Parliament in late 1960s; James Mapalala, a former trade unionist and an established human rights fighter who had been detained several times in the 1980s; Dr. Tenga, a Professor of Law and a member of the University of Dar-es-Salaam legal aid association; and Rev. Mtikila, a controversial priest of a breakaway church.

<sup>126</sup> The lawyer, however, declined the Presidential offer because among others he preferred to remain with the Parallel Committee.

parallel committee,<sup>127</sup> in 1992, but it officially announced the introduction of multipartyism, permitting the formation of political parties provided they satisfied certain criteria.<sup>128</sup>

#### 4.4.5. Political Reform and the Zanzibar Declaration of 1991

The 1991 Zanzibar Declaration by the CCM's National Executive Committee (NEC), officially described as a strengthening of the socialist ideals of the Arusha Declaration, is clearly a product of the political flux created by the demands for political reform and, in fact, appears to have overturned several essential parts of the Arusha Declaration. For instance, the 1967 Leadership Code contained in the Arusha Declaration which was intended to control the behaviour of leaders, stated the following (TANU 1967, pp. 19-20):

1. Every TANU and government leader must be either a peasant or a worker and should in no way be associated with the practices of capitalism;
2. No TANU or government leader should hold shares in any company;
3. No TANU or government leader should hold Directorships in any privately owned enterprises;
4. No TANU or government leader should receive two or more salaries; and
5. No TANU or government leader should own houses for renting to others.

According to the Zanzibar Declaration however all members of CCM regardless of

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<sup>127</sup> For instance, when the Steering Committee had announced a public workshop for 10th and 11th of April, 1991 to deliberate on the best way of introducing multi party system in the country, the President reacted by banning all political activity related to the multi party issue and by announcing that his Commission was (the only one) legally entrusted with handling the issue. When the Secretary of the Parallel Committee responded by explaining that the workshop was sponsored by TANLET (Tanzania Law and Educational Trust), a legally registered association, the Registrar General of Societies served TANLET with a 7 days' notice of revocation of its registration a few days later. TANLET's application for a court injunction was granted on a promise that the trust would not engage in any activities until its fate was decided in court. Meanwhile, an attempt by the DARUSO (University student body) to have the members of the coordinating committee give a public talk at the university was stopped, supposedly by an order of the state house.

<sup>128</sup> *Daily News*, 21st May 1992; *Sunday News*, 31st May 1992; *Family Mirror*, first issue, June 1992.

leadership status have, with effect from February 1991, the right to:<sup>129</sup>

- a. acquire shares in private companies;
- b. own and rent houses;
- c. draw more than one salary, and to
- d. become a Director of a privately owned company

The content of the Zanzibar Declaration seems to be a reflection of the socio-economic realities of the 1980s, while the timing appears to be a product of the political ferment of this period.

Regarding the content, the measures announced in 1991 merely formalised what had been going on behind the scenes for quite some time, as even Nyerere admitted (e.g., Legum, 1988). By having extra sources of income through legal as well as illegal means, CCM leaders were breaching the norms and values of the earlier Leadership Code. All that the ZD appears to have done is to clear an open and legal way of accumulation, not just for the CCM leaders but for all its party members. It is unlikely that the decision will have something positive to offer to the majority of poor citizens. After all, not all CCM members are likely to become directors in privately owned companies or to enter into joint ventures with foreign capitalists. Neither can every one afford to build houses to rent or to buy shares in a private company when a majority of Tanzanians, even in government service, are barely able to make ends meet.<sup>130</sup> The Arusha Declaration, in direct contrast, gave no room (at least on paper) for CCM leaders to involve themselves in the process of primitive accumulation.

Regarding the timing, it is important to note that economic liberalisation through the 1980s and a relaxation of the earlier government monopoly over even

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<sup>129</sup> *Daily News*, 15th February, 1991.

<sup>130</sup> Eriksson (1991) observes that "given the low levels of remuneration in the public sector, employees have been forced to divert their time and effort to other income-generating activities; this need for survival has not only contributed to inefficiency and low productivity within the sector but has also led to abuse and theft of public property, fraud and corruption" (p. 24). Although this issue is dealt with in greater detail in the next three chapters, for a general view, see Cheru (1989), Maliyamkono and Bagachwa (1990) and Stein (1990).



organisational space has led to the formation of several new organisations.

There are, however, three distinct types of new organisational moves. For one, there are organisations created to articulate, promote and defend the interests of various groups in society which were previously unorganised. For instance, the business community has organised itself into a Chamber of Commerce, Agriculture and Industry while various professions have formed their own associations, including businesswomen and traditional healers (Tripp, 1992). The Medical Association of Tanzania recently won rights for government physicians to legally treat private patients (ibid.).

The second type comprises mass organisations previously affiliated to the party - such as the workers' organisation JUWATA, the women's organisation UWT, the youth organisation VIJANA, the parents association WAZAZI and the organisation of cooperative unions, WASHIRIKA - which, in the 1990s, have begun to re-examine the relationship with the ruling one party.<sup>131</sup> In an election survey, published in March 1990, over 80 percent of the population in the sample preferred autonomous and independent mass organisations. Currently, a process of reassessment of relationships in the workplace is going on, with workers organisations attempting to redefine their relationship with the party and women's organisation resolved to align with a political party that champions their interests. It has also been reported that a new policy on cooperative societies is in the offing with voluntary association and democratic control among the guiding principles.<sup>132</sup>

The third type consists of self-help and development organisations which, although declared unnecessary at Independence, have re-emerged in the eighties to provide social services supplementing or substituting for state services. Indigenous and foreign non-state associations have increasingly provided alternatives to the state's limited resources, especially with Tanzania plunging deeper into economic

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<sup>131</sup> As seen earlier in Chapter 3, the CCM monopoly of politics in Tanzania has partly been effected through the domination of these important groups in society (forced or otherwise) and of their organizations. A notable instance is the requirement of CCM membership for membership in these organisations.

<sup>132</sup> *Family Mirror*, March 1991, first issue.

crisis in the 1980s (Kiondo, 1990).<sup>133</sup> The number of such non-governmental organisations (NGOs) has grown phenomenally in the late 1980s, with only 21.5 percent of the 163 NGOs operating in the 1980s were there in the 1970s.<sup>134</sup> But it is possible that many more than those officially registered actually operate. A notable case in the midst of the environmental organisations and those looking into women's issues is that of traditional security networks like the *sungu sungu* which have re-emerged because the deteriorating law and order situation has caused petty thefts, pickpocketing (in *dala dalas* and elsewhere) and house-breaking to increase (Abrahams, 1989; Campbell, 1990; Tripp, 1992).<sup>135</sup>

Although the state tried initially to suppress the growth of such activity, by 1990 the *sungu sungu* had been recognised as a formal and legal security apparatus.<sup>136</sup> The government appears to have realised that such organisations may have helped avert an even more serious legitimacy crisis than the country's leaders already faced and has not attempted to hinder the development of other self-help organisations. Further, it has tried to bring some of its own policies in line with societal imperatives and to open up new political space. This appears to be the guiding force behind the recent creation of a new ministry to deal with women's, youth and environmental issues after the general elections of 1990 and the announcement of a new policy on cooperative societies emphasising voluntary association activity and democratic control.

The pressure for all these moves towards reform in the political space in Tanzania have dovetailed well with pressures for human rights. Various local

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<sup>133</sup> Hundreds of foreign NGOs are now involved in a multitude of activities ranging from small scale industrialisation to tree planting, digging of water wells, construction of roads, provision of health care and counselling, to mention a few.

<sup>134</sup> The Tanzania Non-Governmental Organisations (TANGO) Directory (1990).

<sup>135</sup> Tripp (1992, p. 236) points out that although this is a modern phenomenon, *sungu sungu* have roots in traditional dance societies, hunting groups, cultivating teams and spirit exorcism associations.

<sup>136</sup> The Home Minister Mrema has, in fact, recently applauded them, stating publicly that "people know the members of the police are too few for the big task" (*Daily News*, 22 November 1990, cited in Tripp, 1992, p. 237). Tripp (1992) also cites the *Daily News* as saying that "within two months of organising the patrols, the number of murders in the city [of Dar-es-Salaam] dropped dramatically from 71 to 5 and armed robbery cases dropped from 48 to 6" (p. 237).

organisations have sprung up including independent newspapers and international organisations, especially Amnesty International.<sup>137</sup>

The CCM leadership perhaps realises that changes are necessary within the party if CCM is to survive and retain a good number of party members. In order to achieve this CCM is trying to become liberal especially given the uncertainty of the outcome of the ongoing debate on multi-partyism. The CCM seems to be acknowledging the fact that the social and economic hardships have brought the majority of people to a point where they want a more liberal and more democratic approach to politics and real participation. The Zanzibar Declaration, thus, is clearly a concession to such a trend.

*Ujamaa*, with its hegemonic conception of goals and strategies, is no more the "powerful ideological complex" it used to be (Leys, 1990). Its conception of political goals and strategies as well as the CCM's sole right to rule have been seriously challenged in the 1990s. The homogeneity and consensus that characterised Nyerere's Tanzania are rapidly being replaced by political factionalism, competing ideologies of development and the emergence of social differentiation, class awareness, ethnic consciousness and religious identities. The current decade is likely to witness systemic change as a culmination of policy changes that began in the 1980s. The crucial variable in the balance is of course the political legitimacy of the CCM-state and this will depend on the ability of the government to engineer economic recovery, the willingness of the donor community to assist it through this difficult period and the political response of the people who have to live through it all.

#### 4.6. Conclusions

There has been considerable economic and political liberalisation in Tanzania over the entire decade of the 1980s, which has continued in the 1990s. Although

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<sup>137</sup> This has been more so in Zanzibar where, since 1985, struggles over state power have created a non-Union nationalism to which the state has responded with strong arm tactics, including detention without trial. These practices have now received worldwide condemnation. See, for instance, the Report of the Amnesty International, 1990.

most of the economic measures predated the formal 1986 accord with the IMF, reflecting the 1981 IMF proposals for structural adjustment, the degree of reform has substantially increased after 1986. With the substantial social and economic effects that have followed in its wake, it is arguable that the Tanzanian leadership has taken a shrewd political line in this matter vis-a-viz its public image (Stein, 1990). If the economy continues in its downward trend the leadership can blame the IMF and even attempt to re-impose the directive option (which would reassure certain sections of the population), and, on the other hand, if it works, the government can argue that it was part of a wise voluntary shift by the leadership. In both cases, it is argued, the position of the state is likely to be strengthened, since it would get the credit and not the blame (ibid.).

Thus, although intellectual circles have criticised the Mwinyi government for not having come up with a policy to deal with the sociological problems of change and for not having projected a dynamic image of the government, it certainly goes to his credit that he has avoided potentially conflictual situations and has created a positive environment for economic reform. Though good as a short term government strategy, this seems to have allowed contradictory approaches to development to co-exist within the state apparatus, weakening the government dynamic as well as perhaps the CCM support base.

Perhaps the greatest threat to the political legitimacy of the CCM-state is from the perceived ethical duality of the simultaneous official pursuit of both *ujamaa* socialism and economic liberalisation. This has led to a demand for political reform, both from within and outside the single-party structure, which is forcing the state to democratise and liberalise political institutions and to try and "capture" and coopt emerging new social forces within the state/party. But it is as yet unclear whether or not this will ensure the continuity of the current political order. For as Chabal (1986) notes, "states have not operated in a vacuum, it is ultimately their action in relation to the civil society which determines their complexion and fate of their policies" (p. 15).

With the prospect of multipartyism much closer at hand, the political reactions of the population are going to be an important consideration in whether or not the state is able to implement the economic reforms in full.

## **Chapter 5**

### **The Urban Lower Classes**

#### **5.1. Introduction**

This loosely-defined category basically excludes the elite and professional classes and the large business classes and includes, instead, the informal sector - consisting of workers, skilled and unskilled, ranging from the casually employed, shop assistants, small restaurant workers, bus drivers, conductors and assistants to domestic help and also the class of the (small-scale) self-employed, such as stall owners and market women - and the lower echelons of the administration, including secretaries, clerks and other assistants. The economic fortunes of these groups have been affected both by the crisis and by the subsequent policy reforms, although not all groups have lost out. Some, indeed, have thrived.

But a critical factor in their performance in the years after Structural Adjustment was adopted was their condition around 1986, which was shaped by the economic crisis of the late 1970s and early 1980s and the attempts at indigenous liberalisation by the Tanzanian government. This, therefore, is the starting point of this chapter and is the subject of the next section.

The third section discusses the sample of respondents actually surveyed and the method of interviewing. It also discusses the biases that could possibly affect conclusions regarding actual and future political responses.

The fourth section looks at the impact on this category of urban dwellers of the government's economic policies, both in terms of what the government had actually implemented by the time of the survey (March - August 1991) and also in terms of the perceptions of those directly affected. As mentioned in the previous chapter, subjective perceptions are affected by a variety of factors, including who is held responsible, the expected duration of the impact (gain or loss) and the degree of confidence in the effectiveness of the reform. These help to form the public

'mood' which then influences the actual political response of these urban citizens.

The fifth section looks at the responses towards the performance of the government in implementing the reforms of the Structural Adjustment Programme and also assess the attitude towards a multiparty political system vis-a-vis a single-party political system. A concluding section presents the major findings of the chapter.

## **5.2. Crisis, Adjustment and Survival : A Brief Account**

### **5.2.1. Economic Hardship in the Early Eighties**

The major impact of the Tanzanian economic crisis and the subsequent attempts at policy reforms over the period 1977 to 1986 on ordinary Tanzanians is the shrinking of their purchasing power and hence of their standard of living. Prices have risen nearly four-fold over this period and the incomes of even those in formal employment have not kept up. In addition to this direct effect on the welfare of Tanzanian citizens, the reduction in social service expenditure and formal sector employment in the wake of the economic crisis that began in the late 1970s and the subsequent attempts at economic reform have lowered the standard of living for the poorer sections of Tanzanian society even further.

The general price level increased nearly 24 times in real terms (2383%) and food prices increased nearly 15 times (1401%) from 1977 to 1986, in nominal terms, according to the Retail Price Index for Urban Wage-earners shown in Table 5.2.1 below.

**Table 5.2.1 : Cost of Living (Retail Price) Index 1977-1986 (1970=100)**

Year	Retail Price Index for Wage Earners in Dar-es-Salaam			
	General	% Change	Food	% Change
1970	100	-	100	-
1971	103	3	104	4
1972	114	11	115	11
1973	124	9	122	6
1974	163	31	166	36
1975	243	49	229	38
1976	294	21	305	33
1977	345	17	361	18
1978	403	17	432	20
1979	426	6	448	4
1980	503	18	537	20
1981	647	28	675	26
1982	797	23	848	26
1983	983	23	1009	19
1984	1155	17	1104	9
1985	1693	47	1610	46
1986	2383	41	2406	49

*Source:* Bank of Tanzania, *Economic and Operations Report*, 1975 and 1984; Ministry of Finance and Economic Planning, *Hali ya Uchumi Ya Taifa Katika Mwaka*, Government Printers, Dar es Salaam, 1987, cited in Bryceson (1993), Table II.8, p. 226.

The ensuing annual nominal inflation rate of between 30% to 40% over this period, however, is only a fraction of the real inflation rate during this period owing to the fact that the Tanzanian shilling (Tshilling or Tsh) was devalued several times over the same period.<sup>1</sup> Apart from the series of devaluations of the Tshilling, another major contributor to this phenomenal rise in the price level was the removal

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<sup>1</sup> These devaluations are mentioned in Chapters 3 and 4. The major source of information on the devaluation exercises of the Tanzanian government in the 1980s, however, are the Annual Reports of the Bank of Tanzania.

of price subsidies by the government as part of the initial moves to decontrol administered prices within the economy (i.e., the *NESP* and the *ERP* of the Tanzanian government in the early 1980s).<sup>2</sup>

For Tanzanians in general and the lower income classes in Tanzanian society in particular, therefore, the real wage had started to fall even by the late 1970s. An estimate by the International Labour Organisation (ILO, 1982) revealed that the real wage in 1980 was lower than that seventeen years before, in 1963. The government tried to combat this rise in the cost of living by progressively increasing the minimum wage in urban areas, from Tsh. 600 in 1981 to Tsh. 3,500 in 1991 (an increase of 48.3 percent per annum). But the increases have not matched the escalating cost of living and consequently poorer urban Tanzanians, earning close to the minimum wage, have seen their purchasing power squeezed between stagnating real wages and galloping inflation through the first half of the 1980s, as Table 5.2.2 shows.<sup>3</sup>

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<sup>2</sup> The peaks in the trend of nominal prices around the mid 1970s are due to the oil price shock of the early 1970s, the bad harvest years and the 1977 war with Uganda, which thus constitute the other external factors that led up to the economic crisis in the late 1970s. See Chapter 3 for further details of this period.

<sup>3</sup> All figures, unless mentioned otherwise, have been calculated from various editions of the *Tanzania Economic Trends*, published by the Economic Research Bureau of the University of Dar-es-Salaam in collaboration with the Planning Commission of Tanzania.



**Table 5.2.2 : Minimum Wage Levels, Nominal and Real (1966-1986)**

(1970 = 100)

Year	General Monthly Minimum Wage (Tsh)	Nominal Minimum Wage Index	Real Minimum Wage Index
1966	150	88	
1969	170	100	
1970	170	100	100
1971	170	100	96
1972	240	141	125
1973	240	141	113
1974	340	200	135
1975	380	224	119
1976	380	224	112
1977	380	224	100
1978	380	224	90
1979	380	224	79
1980	480	282	76
1981	480	282	61
1982	600	353	59
1983	600	353	46
1984	810	476	46
1985	810	476	35
1986	810	476	26

*Source:* Bryceson (1993), Table II.7, p. 225, calculated from Jackson, D., "The disappearance of strikes in Tanzania : incomes policy and industrial democracy", *Journal of Modern African Studies*, 17 (2), 1979, p. 248; Jamal, V, "The political economy of devaluation in Tanzania", ILO, Addis Abbaba, 1984, p. 32; *Daily News* June 15, 1984; and *Tanzania Economic Trends*, 1 (1), 1988.

But it is fairly clear from the Table that the changes in the real minimum wage pre-1977 are qualitatively different from those that followed. After rising to a peak of about 35% above the value for 1970 in the period before 1977, and equalling the 1970 value in 1977, the real value of minimum wages steadily dropped by nearly 75% from 1977 to 1986. The impact of this phenomenal fall in the purchasing power, however, has not been evenly spread across the cross-section of workers as Table 5.2.3. shows.

Table 5.2.3 : Index of Real Wages by Salary Level (1965-1985)

(1969 = 100)

Year	Sectors	Minimum Wage	Average Wage	Middle Salary	Top Salary
1968	All sectors	90	97	95	102
1969		100	100	100	100
1970		96	103	103	93
1971		93	103	105	88
1972		119	99	106	75
1973		109	102	96	67
1974		135	133	91	56
1975		103	108	68	44
1976		83	104	64	39
1977		71	98	58	33
1978		61	86	51	30
1979		58	77	45	26
1980	Parastatal only	63	65	37	21
1981		60	56	24	18
1982		49	47	24	14
1983		40	39	17	12
1984		46	31	16	11
1985		31	NA	NA	9

Source: World Bank, 1988b, p. 15.

The Table shows that, interestingly enough, the group that has seen the greatest fall in its real wage is the group of top salaried workers.<sup>4</sup> The real value of the earnings of this group fell by 66% from 1970 to 1977 and by the same margin from 1977 to 1985, ending with a real wage worth only 9% that of 1970. This is followed by the average income earners, whose purchasing power fell by nearly two-thirds from 1977 to 1986 but whose earnings were almost the same in real terms in 1977 as in 1970. The middle income group saw a slightly faster fall in the purchasing power of their earnings after 1977, the fall from 1970 to 1977 being nearly 42% and that after, around 58%. Thus, the real incomes of those earning minimum wages appear to have been least hit by the rising inflation although, like all the other groups, the fall in purchasing power after 1977 has been greater (56%) than the fall before (29%).

But this need not necessarily mean that those earning minimum wages were better off than those in higher income groups. For one, the changes in real purchasing power reflect the composition of the price index used to deflate the

<sup>4</sup> This is an observation that Maliyamkono and Bagachwa (1990) make as well.

nominal wage and further, relative changes in purchasing power say nothing of the changes in absolute purchasing power, which depend on the extent of initial purchasing power. At least for the second reason, the effects on the inflation could have been worse for the lower income groups in urban Tanzania whose earnings were not substantial to begin with.

A further reason to suspect that the impact on the standard of living has been worse for lower income groups in urban Tanzania is the fact that the government expenditure on social services has been reduced significantly since the late 1970s, first as a result of the economic crisis and thereafter as part of the indigenous and IMF-sponsored programmes of economic rationalisation. Bryceson (1993, p.10) points out that development expenditure declined almost by half, from 40% to roughly 20% of total government expenditure from 1976-77 to 1987-88 (p. 10). With inflation, real cut-backs in recurrent expenditure were apparent in all sectors of the economy, especially the social and the productive services, which were nearly halved.

**Table 5.2.4 : Distribution of Government Expenditure by Sector (1977-1986)**

Year	% Distribution of Central Government Expenditure by Sector					
	General Public Services	Education	Health	Other Social Services	Water Supply	Other Economic Services
1977-78	15.0	14.3	7.3	3.2	4.9	22.3
1978-79	14.4	11.6	5.4	2.8	4.3	20.8
1979-80	17.1	13.0	5.7	3.8	5.2	26.1
1980-81	18.6	12.1	5.5	2.8	4.1	23.1
1981-82	16.6	12.8	5.2	3.0	5.4	19.3
1982-83	16.9	13.3	5.4	3.3	4.6	15.8
1983-84	22.0	11.7	5.5	3.3	3.3	15.2
1984-85	29.2	6.5	4.8	3.5	2.5	15.1
1985-86	37.0	5.8	6.2	3.1	2.2	10.1

*Source:* Bryceson, 1993, Table II.5, p. 224, calculated from various issues of the *Economic Survey* published by the Ministry of Planning and Economic Affairs, Dar-es-Salaam.

This fall in development expenditure, especially in essential services like water supply, health and education, hit the urban lower classes hard. Coupled with increasing taxation which, though progressive on paper, was regressive in actual fact (Bukuku, 1993), the lower and middle-income groups in urban Tanzania were experiencing a serious decline in its standard of living by the mid 1980s, with a widening gap between earnings and the cost of living.

### 5.2.2. Structural Adjustment and the Urban Lower Classes

The period after 1986 saw an intensification of the trends identified earlier, namely, further falls in the urban real wage across income groups and further cuts in government expenditure on social services which meant, in turn, that there was a further fall in the standard of living of the less privileged groups in urban Tanzania.

Prices continued to rise in the latter half of the 1980s with further devaluation and further decontrol. Indeed these were part of the package of liberalisation measures that the IMF required in exchange for the financial assistance that Tanzania was so much in need of.<sup>5</sup> According to the World Bank's own *ex ante* estimates, the proposed 20% devaluation would have induced a 6% fall in real wages. Given that minimum wages did not rise further and that, instead, along with a unprecedented cuts in development expenditure in essential services there were a variety of user fees introduced for these services, the welfare of the urban lower and middle income groups in Tanzania seems to have suffered. These latter developments require some further examination.

The indirect effects on the standard of living due to deterioration in both the quality and quantity of public goods provided by the state include forced reductions of the already poor medical facilities in public hospitals due to cuts in medical budgets, declines in the proportion of social policy expenditure in a Gross Domestic Product exacerbated by the increasing inflation and drastic declines in budgetary allocations to the education sector (see Table 5.2.5 below).

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<sup>5</sup> For details on the package of liberalisation measures, see Chapter 4.

**Table 5.2.5 : The Structure of Social Policy Expenditures**

*(in million TShs at 1976 prices)*

	1985	1986	1987	1988
GDP	24278	25008	25972	27039
Total Spending	960 (4.0)	1059 (4.2)	1129 (4.4)	1219 (4.5)
Education	517 (2.1)	567 (2.3)	585 (2.3)	602 (2.2)
Health	335 (1.4)	401 (1.6)	441 (1.7)	521 (1.9)
Housing	8 (0.03)	7 (0.03)	7 (0.03)	9 (0.03)
Social Welfare	24 (0.1)	45 (0.2)	57 (0.2)	51 (0.2)
Social Services	76 (0.3)	40 (0.2)	40 (0.2)	35 (0.1)

*Note :* The figures in brackets are percentages to GDP.

*Source:* F. S. K. Tugaraza (1990), " The IMF/World Bank sponsored programmes in Tanzania", Unpublished paper presented at an International Conference in Addis Ababa, and documented in the Institute of Development Studies, University of Dar-es-Salaam.

The further reduction of allocation for Health (detailed in Table 5.2.6 below) has meant that public hospitals have been forced to cut down the already poor medical facilities, subjecting the generally under-privileged sections of society, and notably women and children, to poorer health facilities.<sup>6</sup>

<sup>6</sup> Already maternal deaths are rampant at the National Hospital, Muhimbili, and while official explanations identify anaemia and the lack of sufficient facilities (and district Hospitals), a more direct link appears to be the poor nutrition value of meals related to the diminishing standards of living of the majority of people (personal communication, Grace Tembo, staff nurse, Mwhimbili Hospital, June 1991).

**Table 5.2.6 : Amount of Money allocated for the Ministry of Health***(in million TShs)*

	1977-78	1982-83	1985-86	1986-87
Total government budget	9438.6	18965.0	30458.0	55594.0
Ministry of health budget	669.2	1019.8	1273.0	1693.0
Percentage	7.1	5.4	4.2	3.0

*Source:* Ministry of Health, "Utekelezaji wa Azimio la Arusha Kuhusu Siasa ya Ujamaa na Kujitegemea Katika Sekta ya Afya". Paper presented at the conference on 20 years of the Arusha Declaration, Kivukoni College Dar es Salaam 1987, p.8.

But in addition to the increase in prices and the slash in the public services provided, the economic reform of Structural Adjustment has also meant the introduction of a variety of user fees. From the beginning of 1987, parents have been required to pay fees for their childrens' secondary school education alongside a Development Levy imposed on all individuals over 18 (see Table 5.2.7 below).<sup>7</sup>

**Table 5.2.7 : The Structure of Annual School Fees Introduced in 1987**

Type of Educational Institution	Value of New Fees (Tsh)
Day secondary schools without meals	350
Secondary schools with meals	700
Boarding secondary schools	2000
Technical Colleges	2500
Other schools except University	1500

*Source:* Annual Budget 1987, Government of Tanzania, p. 18.

But the introduction of user fees in the school system comes on top of cuts in the budget allocated by the government to the education sector. Coupled together these mean that, unlike in the decades of the 1960s and the 1970s when primary education was freely available, the educational prospects for the children of the poor have diminished rapidly. The Tanzanian government itself acknowledged that in the

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<sup>7</sup> The Development Levy was intended to provide financial support for the recently-introduced local government councils.

years following the cuts in the education budget the number of school dropouts has increased.<sup>8</sup> With the latest round of cuts in budgetary allocation and the introduction of user fees, this trend seems set to grow stronger.

In this context, a study of 200 urban Tanzanians done in 1988 (when the minimum urban wage was Tsh 1260) on the minimum monthly basic necessary income (BNI) necessary for a wage-earner to support a family of five in Dar-es-Salaam found that two-thirds said that they required between 6 to 8 times the minimum wage (i.e. 7000 to 9000 Tsh) while nearly a third said they required from 3 to 6 times that amount (5000 to 7000 Tsh) (Lugalla (1990). The order of magnitude of these figures suggests that there was indeed a wide gap between official income and the basic income necessary for urban survival.

These cuts in total spending have also meant public sector retrenchment (albeit with compensation) policies and a freeze in employment within the lower ranks of the public sector. The numbers of those made redundant could have been much higher but for the fact that the government's intention to carry out large scale retrenchment was not implemented in full for want of a clear policy on redundancies (Bryceson, 1993). She also points out that "what retrenchment was done was sometimes contested by the workers through the permanent labour tribunals and often the workers were re-instated" (p. 23).

Like the pre-1986 crisis period, it is true that the rising cost of living, the cutbacks on public expenditures and the introduction of user fees after 1986 have affected urban Tanzanians in the lower and middle income classes more than the upper classes, at least in urban areas. Firstly, the latter can afford private alternatives to public services whose quality has diminished over time or which have been withdrawn. And secondly, since standard of living of these upper income groups was higher to start with, even the large percentage declines in real earnings that occurred may still have left them better off than say, those in the middle or lower classes. Thus, it would appear that the adverse impacts of the economic reforms seem to be shouldered by those least capable of bearing the burden.

Yet, it is surprising that the measures of economic reform enacted by the

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<sup>8</sup> The *Daily News* reported on the 1st of January 1989 that the Ministry of Education had admitted that Primary School enrolment had dropped.

Tanzanian government as part of the conditionality for financial assistance from the IMF proceeded without any significant public outcry. Several urban (and rural) interests were adversely affected with certain reforms, especially the removal of the *sembe*<sup>9</sup> subsidy risked undermining people's support for the government and also the CCM's credibility as a mass-based political party. This is a significant absence given that the scale of the adverse impacts (which started in the late 1970s but intensified after 1986) is one for which the ILO finds "few international parallels". In the words of the same ILO Report, "declines of a much smaller magnitude have sometimes been associated with much social unrest" (p. 34).

A part of the reason why these hard-hit urban lower classes - specific targets of the IMF's Structural Adjustment Programme from an urban-bias perspective - have not expressed the expected discontent despite the growing economic hardship might be that these do *not* constitute the politically powerful urban interests that Lipton and Bates seem to refer to. A part of the reason may also be the nature of the political culture that the single-party model of *Ujamaa* socialism has engendered. But undoubtedly a more important reason for this silence is the rise of the informal sector in urban Tanzania, which has grown from a set of survival mechanisms in times of hardship to a "truly dominant sub-mode of production" which some have called the Second Economy.<sup>10</sup>

### 5.2.3. Survival Strategies to Second Economy: The Rise of the Informal Sector

By the 1980s, sideline activities to supplement incomes in Tanzania were observed to have grown from unorganised activities carried out by desperate individuals to an economy distinct from the official one. Although by its very name the informal sector typically refers to small-scale activities which have eluded

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<sup>9</sup> *Sembe* is maize meal, the main staple diet in Tanzania.

<sup>10</sup> See Maliyamkono and Bagachwa, 1990, Chapter 2, for a detailed discussion of terms and the origins of the phenomenon. The quote is attributed to Green by Kunz (1991).



official measurement,<sup>11</sup> there is a larger set of activities that constitute the Second Economy. In addition to this largely-legal informal sector - which includes shoe shine boys, street vendors, market women, currency-exchange agents, owners of "one door" bars and restaurants, road side mechanics, and bicycle repairers (which provides food, drink, clothing and a wide range of goods and services to a cross section of the population especially the poor) - the Second Economy extends to small-scale and larger-scale activities which are outside the law.

Maliyamkono and Bagachwa (1990) distinguish between two sorts of illegal activities, those originating within the government and those originating outside. The former basically refers to government corruption, which includes the misuse and abuse of official positions and official resources for private gain. Besides corruption and nepotism, which are now widespread in law-enforcing institutions, theft by public servants has increased tremendously during the 1980s and cases of Custom and Sales Tax officers colluding with importers and other businessmen to evade taxes are rampant.<sup>12</sup> With bribery and corruption reaching unprecedented levels, Tanzania appears to have reached a stage where in order to be successful in business one is almost obliged to be corrupt. The second set of illegal Second Economy activities that Maliyamkono and Bagachwa (1990) distinguish are those originating outside the government sector. These include *Ulanguzi* (black marketeering), the big businesses of smuggling gold, diamonds, Tanzanites and other minerals, trophies, cash crops, medicine, illegal transactions of foreign currency and the operation of home-based private banks (see Maliyamkono, 1985 for details).

In addition to these large-scale illegal activities of the Second Economy there is another sort of illegal informal sector activity that goes on which is perhaps best characterised by the local term, *matapeli*, or small-time conmen activity (especially

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<sup>11</sup> The ILO's Report attempts to define the informal sector as the obverse of a formal sector that it defined. Thus, by inversion, the characteristics of the informal sector are ease of entry, reliance on indigenous resources, family ownership, of enterprise, small scale of operation, labour intensive and adaptive technology, skills acquired out of the formal school system and unregulated and competitive markets (ILO, *Employment, Income and Equity*, cited by C. G. Johnson in *Africa Development*, XVII, No 1, 1992, pp. 67-68). The various definitions advanced in the literature are critically evaluated in Maliyamkono and Bagachwa (1990), chapter 2.

<sup>12</sup> From various articles and publications in the two major daily newspapers, the pro-government *Daily News* as well as the more independent *Family Mirror* and *Business Weekly*.

in urban areas). The *matapeli* spans a wide range of tactics, including confidence tricks, petty deception (such as passing dud cheques) and small-scale commission-seeking intermediary activity in illegal transactions, an interesting variant being the *vibaka* or *wapiga debe*, who are usually young boys aged between 15 and 20 and assist bus owners in gathering passengers, especially in the *dalla dalla* buses,<sup>13</sup> and re-sell bus or railway tickets bought in bulk in the official market at black market prices when they have been officially sold out.<sup>14</sup>

There also seems to be a retail-wholesale type of relationship between the smaller-scale *matapeli* and the larger-scale government corruption networks and the hoarding and illegal trading networks. With the decade-long scarcity of items like sugar, building materials and simple commodities like beer, all the actors in the illegal traders network both within and outside the government as well as the *matapeli* have flourished. With their largely illegal networks, it has always been easier for them to acquire and retail such scarce commodities, previously siphoned off official networks, and hoarded to create an artificial demand.<sup>15</sup>

But on the legal side, there are several side-line 'informal sector' activities that have come up, small in scale, largely urban and usually as a supplement to a regular form of employment. As the table below indicates, these units have increased phenomenally during the 1980s.

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<sup>13</sup> The now-common term '*dalla dalla*' for the pick-ups which are a popular form of privatised public transport in urban and rural areas comes from the time when the flat rate for each passenger was a dollar's equivalent to the Tshilling.

<sup>14</sup> These *vibakas* are highly organized, have contacts and influence with ticket sellers, bus owners and law-enforcing officials, operate intelligently. For instance, black-market tickets have been known to be sold even to members of the police force and to politicians. On a more whimsical note, some of these *vibakas* have formed groups called *Tule Wapi*, meaning "where we get our daily bread" or "how we survive".

<sup>15</sup> The entire phenomenon is now so widespread that terms such as *Warushaji*, *Wahongaji* or *Walanguzi* - i.e., market-racketeers and *Bei za Kurusha*, *Kuhonga*, or *Kulangua* - referring to their hiked black market prices, are commonly known even to young children and have of late secured a page in the new Swahili-English dictionary.

**Table 5.2.8 : Informal sector units by year of establishment**

Year	Number of units in Arusha	Number of units in Dar-es-Salaam
1950-59	<b>2</b> (2.1%)	<b>0</b>
1960-69	<b>3</b> (3.1)	<b>1</b> (0.7%)
1970-79	<b>18</b> (18.5%)	<b>26</b> (18.2%)
1980-87	<b>74</b> (76.3%)	<b>116</b> (81.1%)
Total	<b>97</b> (100.00)	<b>143</b> (100.00)

*Source:* Bagachwa and Ndulu, "The urban informal sector in Tanzania", University of Dar-es-Salaam, mimeo, quoted in Maliyamkono and Bagachwa, *The Second Economy in Tanzania*, 1990, James Curry and Heinemann, Table 2.1, page 143.

The pattern of the increase in the number of these units in both urban areas is interesting as it appears to link the growth of the informal sector directly with the period of economic hardship. In her study of Dar-es-Salaam in 1987-88, Tripp (1988b) found that 64% of the self-employed people began their enterprises within the previous five years. Her study also reveals the increasing role of women in self-employment, with 66% of urban women interviewed being employed and most of them (78%) with side-line activities which had started post-1983. Similarly, Bagachwa and Ndulu (1988) also found that about 75% of the informal sector enterprises in Arusha Municipality and four-fifths of those surveyed in Dar-es-Salaam had been established during the period between 1980 and 1987. In the most recent survey of informal sector activity, Maliyamkono and Bagachwa, (1990) also conclude that there are strong reasons to believe that the economic hardship of the period since the late 1970s has been the major factor behind the phenomenal growth of the informal sector in Tanzania. But their concerns are larger and they point out that not only the largely-legal activities of the informal sector but the larger large-scale illegal activities that comprise the Second Economy have also seen a phenomenal growth during this period. They estimate that the Second Economy in Tanzania has grown from a negligible 2.8% of the official GDP in 1976 to over 30% of the same ten years later (see Table 5.2.9 below).

**Table 5.2.9 : Estimated size of the Second Economy in Tanzania (1978-86)**

Year	Official GDP at Factor Cost (TShs. million)	Second Economy GDP (TShs. million)	Second Economy GDP as % of official GDP
1978	28430	2779.9	9.8
1979	32452	6842.0	21.1
1980	38667	9262.3	24.2
1981	45193	12308.3	27.2
1982	54845	15483.5	28.2
1983	60702	13354.4	22.0
1984	74608	18989.0	25.4
1985	97767	28211.6	28.8
1986	131346	41187.2	31.4

*Source* : Maliyamkono and Bagachwa, (1990).

As the Table demonstrates, the largest increase in the growth of the sector has been in the 1980s, and indeed this is what led Maliyamkono and Bagachwa to conclude that the informal sector had indeed grown from a collection of minor individual activities to a fully-fledged 'second' economy.

But the substantive question that has been the focus of much attention in government and international circles in the Tanzanian, African and even the general developing country contexts, has been whether or not the rise of the informal sector and the Second Economy has contributed or detracted from social welfare. Although the initial reaction to the illegal side of the Second Economy has perhaps justifiably been negative, subsequent focus on the legal side of the Second Economy has revealed several positive characteristics.

The informal sector, it has been discovered, allowed millions of African Urbanites to cope with deprivation and marginalization and to subsist from day to day. One World Bank document describes the informal sector as the "most influential and competitive part of African economies" (World Bank, 1989a, p. 135). Thus, the informal Sector was recognised by the Tanzanian government for what it could contribute towards easing unemployment in Tanzania's towns and cities, towards income generation and the production of goods and services, towards

entrepreneurial training and the development of skills, and also towards rehabilitating out-of-school youth.

But, herein is a curious contradiction. The illegal side to the informal sector is heavily sustained in reality by the very networks of 'patronage and personal clientage' that Structural Adjustment means to undo. An extreme caricaturist view of this situation would be that 'the salaries of civil servants support the unemployed, the infirm, and the indigent' and that 'the cities support the countryside.'<sup>16</sup>

Then again, the activities of the Second Economy have been interpreted as an expression of resistance to the ineffective state intervention and also as a response to the failure of the official economy to deliver the goods - hence, a response to the crisis of statism in Tanzania (Maliyamkono and Bagachwa, 1990). One clear area is the security of urban Tanzanian citizens. Going by the newspaper reports, with the intensification of the crisis there has also been an increase in petty thefts, pick pocketing in buses and elsewhere, armed robbery, house-breaking and banditry (e.g., upcountry buses being way-laid). While all this is by no means an abnormal urban phenomenon in many African, Asian and even Western countries, it is comparatively new in Tanzania. Consequently, this has brought the issue of societal security to the fore in urban Tanzania and social groups have begun to form local vigilante groups called *sungu-sungu*. Also, architectural designs of residential buildings have begun to change with most new houses now being fenced with thick concrete walls lined on top with pieces of broken glasses, doors and windows being reinforced with iron grills and some houses belonging to affluent social groups being electrified and equipped with security alarms. In response to this social need, private enterprise has resulted in two security companies (the Group Four and the Ultimate Security Unit) having found a market for their services in Tanzania. This reflects the failure of government instruments to provide such services and the rise of private enterprise, formal or informal, to fill the gap. The rise of the informal sector, hence, can be seen to have contributed to the creation of a genuine indigenous entrepreneurial class in contrast to the parasitic state aristocracy, which does not

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<sup>16</sup> That rural relatives depend on Public sector remittances from the city is a well-known phenomenon in developing countries and the Tanzanian case has been documented in Sklar and Whitaker (1991).

contribute to national product while eating into state resources.<sup>17</sup>

Many contemporary commentators also saw Second Economy activities as having a positive influence on welfare and argue that the bulk of the informal sector activity in Tanzania represents truly innovative and self-reliant schemes, striving to meet the basic needs of daily life (Bagachwa, 1982, Ndulu, 1986, Tripp, 1988b, etc.). In addition, that these also possess the dynamism of up-grading artisanal skills, mobilising the otherwise domestic resources (specially through the provision of additional employment) and utilizing economic resources productively. If promoted, these could become a significant factor in the development of Tanzania, which is indeed striving towards a self-reliant economy. Further Tripp (1988b) observes that the rapid growth of the informal sector during the early 1980s has *not* been due to the government's promotional efforts. It in fact reflects independence survival efforts by informal entrepreneurs to sustain livelihoods following the failure by the official economy to provide sufficient supplies of commodities. To Del Boca and Forte (1982, p. 182), thus, the Second Economy is a kind of 'healthy' reaction to the pathology of the state (cited in Maliyamkono and Bagachwa, 1990, p. 33).

Thus the informal sector can be seen as a catalyst for political and economic change since the persistent challenges of the informal sector to the state have led to liberalising, privatising government reactions resulting in a shrinking the state frontiers - thus inadvertently contributing to the reforms already taking place in Tanzania. From a slightly over-charitable position, even the illegal activities - the corruption that the IMF so deplores - fit the description of the private enterprise culture that it is attempting to encourage and is also a means by which the reach and influence of the over-statist single-party state is effectively reduced (Lemarchand, 1988). This will be perhaps clearer after the response of the government to the rise of the informal sector and the Second Economy are examined in somewhat greater detail.

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<sup>17</sup> As Bayart (1993) and Chabal (1992) observe, the informal sector in many cases operates in collusion with the state sector. The point being made here, however, is that only the former is 'productive' in the narrow economic sense of the term.

#### 5.2.4. Government Responses to the Second Economy

The government response to these developments has been contradictory. Until the mid-1980s the Tanzanian government held the view that the Second Economy was essentially dysfunctional in nature. Then in 1984 the government did a volte-face declaring that the underground Second Economy constituted a potential asset to the development of the nation.

When informal sector activities first rose to prominence in the early 1980s, the government's position was clear-cut. The party leadership code of 1967 (the *Mwongozo*) prohibited party leaders (and their spouses) from having extra sources of income other than those earned from their official regular jobs and from hiring employees of any sort. There had been official efforts in the 1970s to check the advance of what the Tanzanian government labelled 'clandestine employment' and 'unfair competition' to more established formal trading concerns. In 1973, the government had abolished the issue of urban trading licences to the self-employed urban traders. This was followed in 1976 by an attempt to forcibly resettle self-employed and unemployed residents of Dar-es-Salaam into neighbouring farming villages (which nevertheless failed because most of those moved into villages shortly returned to the city).

The initial government response to the rise of the informal sector in the late 1970s and early 1980s thus was a crackdown on what it called economic saboteurs. This was in keeping with the contemporaneous government view that the Second Economy was dysfunctional, for at least three reasons. Firstly, it was not held to add directly to productivity. Secondly, it was said to be exploitative because it added a surcharge to goods and services produced by the official economy (even if they may have been in short supply). Thirdly, it also distorted Tanzania's stated societal objectives of reducing income disparities and of producing a classless society. Such activity, the government felt, was creating a 'comprador class' of the *walanguzi* or marketeers who owed no allegiance to the goals of society. The final objection of the government seemed to be that it interfered with the country's legal system by encouraging tax evasions.

The government crackdown on economic saboteurs took the form of a Penal

Code Amendment in 1983, which made for the Human Resource Deployment Act of 1984 (known as *Nguvi Kazi*), and the Economic Sabotage and Organized Crime Act of 1984. The former Act categorised all self-employed and unemployed who could not produce officially recognisable identification cards as "unproductive and idle disorderly persons" and stated that they were to be rounded up and resettled into the countryside. But as Tripp (1988b) points out, this campaign was not a success as no sooner were truckloads of people dropped off into rural areas that the same people returned to the city to resume their small scale enterprises (p. 90). The latter Act also met with limited success and the government also began to realise that despite detaining and trying these parallel market traders, there was no improvement in the availability of essential goods and services.

The timing of the anti-economic sabotage trials, which were yielding little fruit, was important because it was at this time that the bureaucrats in the Ministry of Planning and Economic Affairs were preparing a policy on private sector investment intended to pave the way towards a financial agreement with the IMF. Consequently, the June 1984 Budget included a 26% devaluation, the removal of the *sembe* subsidy and the introduction of 'own fund' accounts to allow Tanzanian residents with foreign exchange to import goods without questions asked about the source of foreign exchange.<sup>18</sup> These two government actions thus sought to pull the economy in two contradictory directions.

In the light of these contemporaneous developments, it is clear that the subsequent government turn-around on the question of the Second Economy constitutes either a unification of government policy efforts or a realisation by the government that the Second Economy might constitute a potential asset to the development of the nation by fulfilling positive functions which were not being adequately fulfilled by existing political and economic structures.

Officially, thus, Second Economy activities came to be seen as adaptations to social or market forces working towards societal harmony. By 1986, the *walanguzi* were declared to be performing a useful function in that they brought

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<sup>18</sup> Nyerere constantly maintained that these measures would have been taken irrespective of IMF pressure stressing that "the major difference between Tanzania and the IMF was not the demands advanced ... but the extent to which those demands should be stretched" (*Daily News*, 7th May 1985).



food to the urban areas and to any other areas where there were food deficits (Maliyamkono and Bagachwa, 1990). Many activities of the informal sector were legalised and the government offered incentives and allowances for entrepreneurial activity, ranging from cheaper credit to changes in the timings of the official working day to enable side-line activity by even public sector employees in regular employment.<sup>19</sup> In the same vein, the 1985-86 of the government Budget introduced cheap (below market rate) car loans to entitled and eligible officers in government and parastatal organisations.

But these liberalising measures could well have been misused. Bukuku (1993) points out that the post-1984 period has been used by top-salary earners/bureaucracy in public offices to regain some of the lost glory of the immediate-post-Independence years, when there were also cheap loans for housing, cars and domestic appliances (p. 86). But now there was a uniform excuse to cover even excesses: it was sound economic policy associated with economic reform. But at least to the operators of the Second Economy, small and large, the change of direction of government policy is very welcome for it has enabled them to openly pursue and extend activities that they need for economic survival and prosperity in times when the official economy cannot afford them the opportunities or security of an acceptable standard of living.

On balance, the government's turn-around seems fortunate in that it has harnessed powerful economic forces which could help the economy in its quest for economic and thence political stability. However, this liberal government attitude has served to shrink the frontiers of the state itself. But whether or not the present sample felt the same way is a matter of further investigation.

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<sup>19</sup> Tripp (1988a, p. 14) notes that in Dar-es-Salaam the persistence of both transport problems and the undeterred operation of private mini buses (*dala dalas*) have led to the legalisations of the private transport industry (causing a rapid expansion in their numbers to nearly twice the number of official public buses). Apart from the move to legalise several hitherto illegal secondary activities, the government has also sanctioned that the lower echelons of the civil service are to get an additional 30% of their gross salaries as transport allowance in addition to a five-day working week, office timings that end at 2 pm to facilitate entrepreneurial activity and loan packages for first-time entrepreneurs (*Report of the Bank of Tanzania*, 1986, pp. 19-20).

### 5.3. Sample Description

Of the entire sample interviewed in the three urban localities of Tanzania, Arusha, Dodoma and Dar-es-Salaam, in the period between March and August 1991, a total of 143 adult (i.e., over the age of 18) permanent residents come under the general category of the urban lower classes. They include clerks, secretaries, security personnel, shop assistants and office assistants - i.e., the lower echelons of government administration and the private sector - and the self-employed who operate in the informal sector - hawkers, vendors, market boys and market women. Within these sub sample of 143, nearly two-thirds (96) are from the lower echelons of the urban formal sector while the remaining third (47) are from the urban informal sector. The geographical division of these respondents is shown in Table 5.3.1 below.

**Table 5.3.1 : Distribution of the 143 Respondents of the Urban Lower Classes**

Urban Lower Classes	Dar-es-Salaam		Dodoma		Arusha		Total I
	Number	% of Total I	Number	% of Total I	Number	% of Total I	
Informal Sector	50	52.08	20	20.83	26	27.08	96
	70.42%		62.50%		65.00%		99.99
Lower Echelons of Formal Sector	21	44.69	12	25.53	14	29.78	47
	29.58%		37.50%		35.00%		100.00
Total II	71		32		40		143
% of Total II	100.00%		100.00%		100.00%		

The largest number of respondents (71) are from Dar-es-Salaam with Arusha having more (40) than Dodoma (32). In all three cities, the proportion of informal sector respondents is greater than the respondents from the lower echelons of the formal sector, in a ratio of two-thirds to one-thirds. And, once again, about half the respondents in each category are from Dar-es-Salaam with the number from Arusha being greater than those from Dodoma.

**Table 5.3.2 : Number of Women Respondents in the Sample**

Urban Lower Classes	Dar-es-Salaam		Dodoma		Arusha		Sector Totals
	Number of Women	City sector totals <i>% of women</i>	Number of women	City sector totals <i>% of women</i>	Number of women	City sector totals <i>% of women</i>	<i>% of women in sector</i>
Informal sector	19	50 38.00%	7	20 35.00%	14	26 53.84%	40 42.71%
Lower echelons of formal sector	9	21 42.85%	2	12 16.67%	4	14 28.57%	15 21.27%
Total in City Samples	28		9		18		55
(% of total city samples)	39.43%		28.13%		45.00%		38.46%

Nearly 40% of the respondents in the entire sample of urban lower classes were women. But the proportion of women interviewed in the informal sector as a whole is more than double those interviewed in the formal sector. In the informal sector the women were basically managing either *Mama Nitilie* shanty hotels (selling peanuts, drinks, *mandazis*, *chapati*, and other local bites), market stalls (mostly selling vegetables) or hair braiding 'saloons'. The respondents from the formal sector are secretaries, clerks, shop assistants and office assistants from the University of Dar-es-Salaam and from government offices.

The proportion of women respondents also varied across towns. In Dar-es-Salaam, for instance, the number of women interviewed is larger than in either Dodoma or Arusha in both sectors, although in terms of percentage of women respondents there were fewer women interviewed in Dar-es-Salaam than in Arusha but more than in Dodoma.

Apart from women, and those described in the first section, the category of lower classes also included the (small-scale) self-employed - shoe shine boys, street

vendors, newspaper agents (who doubled as illegal currency exchange agents), "one door" bar and restaurant owners, carpenters, road side mechanics, and bicycle repairers. The breakdown of the sample according to occupational structure is shown in Table 5.3.3. But the categories require some explanation.

Shoe-shining is distinct from shoe-repairing since the latter refers to the semi-skilled activity of cobblers while the former is usually done by small boys without much prior training, capital or indeed any permanent or semi-permanent vending space. Roadside repairing refers to the repair of vehicles ranging from bicycles to motorcycles and cars although the main activity seemed to be fixing punctures in tyres - since this requires comparatively less capital investment. Roadside snack bars refer to small establishments which sell home-made food and a variety of small snacks as well as beverages. Some of these were also small bars which sold beer. Newspaper vending also spilled over on many occasions into *matapeli* economy activity such as buying and selling with foreign currency. The retailing of bus tickets also refers to *matapeli* activity of boys who sell bus tickets on the black market after buying them in bulk to artificially cause a shortage. But clearly they are not operating on their own but are only 'fronting' for other, perhaps older, operators. Hawking refers to vendors who move around selling consumer wares while kiosk vending refers to those who vend from semi-permanent or permanent fixtures, such as a market stall or a rented shop front. Tailoring and hair-braiding are self-explanatory, except in this case they were not professional but operated out of houses. The respondents are further divided according to sex.

**Table 5.3.3 : Occupational Structure of the Informal Sector Respondents**

Occupations	Dar-es-Salaam		Dodoma		Arusha		Total
	Male	Female	Male	Female	Male	Female	
Shoe-shining	2	-	1	-	1	-	4
Shoe-repairing	2	-	2	-	2	-	6
Roadside repairing	3	-	-	-	1	-	4
Newspaper vending	2	-	1	-	2	-	5
Bus ticket retailing	4	-	1	-	3	-	8
Hawking	4	-	1	-	1	-	6
Kiosk vending	5	4	5	1	1	1	17
Roadside snack bars	8	6	2	3	1	4	24
Tailoring	1	5	-	1	-	5	12
Hair-braiding	-	4	-	2	-	4	10
<b>Total</b>	<b>31</b>	<b>19</b>	<b>13</b>	<b>7</b>	<b>12</b>	<b>14</b>	<b>96</b>

Apart from an elaboration of the previously-stated fact that the majority of the respondents came from Dar-es-Salaam, this table reflects a sexual division of labour: women do not participate in certain informal sector activities - such as shoe-shining, shoe-repairing, newspaper vending and roadside motor repairing - while men do not participate in hair-braiding. In the sample, kiosk vendors, roadside snack bar operators and tailors came from both sexes.

The formal sector respondents also came from a variety of occupational backgrounds as Table 5.3.4 shows. Again, the categories require some explanation. Clerical staff refers to typists, clerks, secretaries and office assistants in government offices. Parastatal workers include all those who work in parastatal organisations of the government, but not as clerical staff. Cleaners are the cleaning staff in government offices while security guards are the *askaris* who are stationed in and around government offices and buildings. The other category covered in the lower echelons of the formal sector is that of shop assistants and sales persons in private sector shops.

**Table 5.3.4 : Occupational Structure of the Formal Sector Respondents**

Occupations	Dar-es-Salaam		Dodoma		Arusha		Total
	Male	Female	Male	Female	Male	Female	
Clerical Staff	4	6	3	-	3	2	18
Parastatal workers	2	1	1	-	2	-	6
Shop Sales Assistants	3	2	2	2	3	2	14
Cleaners	1	-	2	-	1	-	4
Security Guards	2	-	2	-	1	-	5
<b>Total</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>2</b>	<b>10</b>	<b>4</b>	<b>47</b>

Again, the respondents from Dar-es-Salaam have a numerical advantage and there is some evidence of a sexual division of labour. Cleaners and security guards are male while all other categories are represented by both sexes.

## **5.4. Assessing Sample Responses to Structural Adjustment**

### **5.4.1. Perceptions of the Direct and Indirect Impacts of SAP**

The responses to the eight SAP measures are presented in Table 5.4.1 below and discussed in more detail below.

**Table 5.4.1 : Responses to the Structural Adjustment Programme**

SAP Measure	Strong Approval		Tolerance		Mild Disapproval		Strong Disapproval		Indifference	
	FS	IS	FS	IS	FS	IS	FS	IS	FS	IS
Price decontrol of essential commodities	5 <i>10.63</i>	- -	7 <i>14.89</i>	7 <i>7.29</i>	5 <i>10.63</i>	11 <i>11.45</i>	30 <i>63.82</i>	78 <i>81.25</i>	- -	- -
Availability of imported essential commodities	26 <i>55.32</i>	48 <i>50.00</i>	11 <i>23.40</i>	23 <i>23.95</i>	2 <i>4.25</i>	8 <i>8.33</i>	1 <i>2.13</i>	11 <i>11.45</i>	7 <i>14.89</i>	6 <i>6.25</i>
Availability of imported luxuries	31 <i>65.95</i>	23 <i>23.96</i>	6 <i>12.76</i>	28 <i>26.16</i>	2 <i>4.25</i>	18 <i>18.75</i>	1 <i>2.13</i>	9 <i>9.37</i>	7 <i>14.89</i>	18 <i>18.75</i>
Availability of second-hand clothes	36 <i>76.60</i>	81 <i>84.36</i>	6 <i>12.76</i>	8 <i>8.33</i>	2 <i>4.25</i>	7 <i>7.29</i>	3 <i>6.38</i>	- -	- -	- -
Private property rights	31 <i>65.95</i>	27 <i>28.12</i>	5 <i>10.64</i>	11 <i>11.45</i>	9 <i>19.15</i>	38 <i>39.58</i>	2 <i>4.25</i>	12 <i>12.50</i>	- -	8 <i>8.33</i>
User fees for education	21 <i>44.68</i>	6 <i>6.25</i>	18 <i>38.30</i>	16 <i>16.66</i>	2 <i>4.25</i>	13 <i>13.54</i>	6 <i>12.76</i>	55 <i>57.29</i>	- -	6 <i>6.25</i>
Formation of new cooperative societies	6 <i>12.76</i>	28 <i>29.16</i>	10 <i>21.27</i>	20 <i>20.80</i>	5 <i>10.63</i>	16 <i>16.67</i>	17 <i>36.17</i>	10 <i>10.41</i>	9 <i>19.14</i>	22 <i>22.90</i>
Government control of salaries	17 <i>36.17</i>	- -	26 <i>55.31</i>	- -	2 <i>4.25</i>	- -	2 <i>4.25</i>	- -	- -	- -

- Notes :** 1. Figures in italics are percentages to sector totals: 96 respondents in the informal sector and 47 in the formal sector.  
2. FS refers to the respondents from the lower echelons of the Formal Sector and IS refers to those from the Informal Sector.

*Increase in the prices of essential commodities :* During the period of our study between March and August 1992 the minimum urban wage including allowances was TShs 3,500 per month, or TShs 117 per day. An indication of what this meant for a low-paid urban dweller's living standard is apparent by the fact that this daily

wage would have bought around 1½ kilograms of maize flour (the staple) or a kilogram of bread or a loaf of bread with a few extra slices. A chicken would have required a saving of nearly three days wages, while a fish, nearly a week. And if he preferred to drink it away, he could have bought only two beers a day. Table 5.4.2 provides a sample of the prevailing prices.

**Table 5.4.2 : Relative prices for items of mass consumption**

Item of Mass Consumption	Prices (TShs)
1 kilogram of maize meal	80
1 loaf of bread	100
1 kilogram of rice	110
1 chicken	300
1 fish	600
1 can of beer	60

It would seem therefore, that such a wage could scarcely support one person's food requirements, let alone the food of the rest of the family and additional necessary expenditure on housing clothing, health and other costs. As Lugalla (1990) finds in his 1988 study of urban living standards, urban Tanzanians require from 3 to 8 times the minimum urban wage to support a family of five in Dar-es-Salaam.

A similar response was forthcoming from the 96 respondents from the lower informal classes when asked to approximate the minimum monthly income they required in order to meet basic requirements of food, shelter, clothing and transport. As Table 5.4.3 below shows, a third required from 7,000 to 9,000 Tsh - i.e., from 2 to 2½ times the urban minimum wage - while two-thirds required from 9,000 to 11,000, i.e., from 2½ to 3 times the minimum wage. A small minority required from between 3 to 4 times the urban minimum wage.



**Table 5.4.3 : Monthly Basic Necessary Income (BNI)**

Basic Necessary Income Class (Tsh)	Percentage of Respondents
7000 - 9,000	28
9,001 - 11,000	66
11,001 - 14,000	6

In this connection it is important to note that since most wage-earners in the category canvassed are poor and tend to reside in the outskirts of the city centre where rents are relatively low. As a result, they have to use public transport in order to get to their workplace which requires a lot of money since a single journey costs Tsh 30, around a quarter of the daily minimum wage - or half the daily wage for a days travel to and from work.<sup>20</sup>

Also, it is interesting to note that although the magnitude of the estimates are higher in our sample, the proportions of respondents quoting higher basic necessary income is quite similar to those in Lugalla's 1988 study. But a major response to the rising cost of living is the proliferation of informal sector activity within the economy and especially in the urban areas. This, however, is discussed separately in the following sub-section.

*The easy availability of consumer goods* : As a result of prohibitions, the cumbersome licensing procedures and the difficulty of acquiring official foreign exchange, consumers who wished to purchase imported commodities prior to the liberalisation in 1986 had to rely on illegal traders who smuggled these commodities across the country's borders. Maliyamkono and Bagachwa, (1990) point out that illegal transborder trade had been rampant across Tanzania's borders and that there were three basic types of commodities involved in such trade. The first category includes consumer goods in short domestic supply like cooking oil, sugar, salt, toilet and laundry soap, toothpaste, matches, shoes, ready-made clothes, vehicle spare

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<sup>20</sup> And the estimate varies; Kiponda, a minimum wage earner who works in Dar-es-Salaam spends 75% of his salary on public transport to and from his workplace.

parts, beer, whisky and cigarettes. The second category of goods smuggled includes goods officially classified as restricted and which involve substantial capital outlay, such as cardamom, coffee, cotton, cattle, gold, hides and skins, ivory and precious stones. The third category includes luxury goods like whisky, vehicle spare parts, electronic equipment, television sets, radios and video cassette recorders (Maliyamkono and Bagachwa, 1990, p. 102).

Following the partial import liberalisation of 1984, the number of items imported under the 'own funds' scheme has increased substantially and currently includes consumer goods, building materials, transport equipment, electrical goods and basic inputs for manufacturing. Maliyamkono and Bagachwa, (1990) note that "[c]asual observation would also tend to indicate that the programme has resulted in import availability of essential consumer goods in most shops particularly in urban areas" (p. 112). They further observe that while the prices charged for these commodities still ranged from "4 to 7 times their import prices valued at the official exchange rates", consumers were not surprised by these high prices "since they used to pay probably just the same high prices to obtain similar goods in the Second Economy market before liberalisation" (id.). But they also argue that the increased supply through official channels has probably reduced the relative price of these commodities. In addition to the relative fall in prices, they argue that the relative advantage of liberalisation is "the high probability of being able to obtain goods in the desired quantities" (id.). This account corresponds well with the observations from the respondents in the sample.

Following these 'liberalisation' measures, there was also an increased and easy availability of second-hand clothing (*mitumbua*). While some of these were domestically supplied - now that there was a price to be had for such commodities - the bulk of these were from across the border, the likely sources being free clothing supplied as part of international aid to countries suffering from droughts and other natural calamities.

Those who benefited from this increased availability of consumer goods were rather naturally enthusiastic in their support of the government's liberalisation measure, with the degree of appreciation being directly related to the extent of benefit. At the other end, there were some especially in the informal sector who

perceived a loss in revenue due to the fall in the price of the imported commodities, as a direct consequence of the increased supply brought on by liberalisation.

*Government austerity measures : user fees and government control of salaries :* In addition to the fall in purchasing power that the urban lower classes experienced in the early and mid 1980s, there was also the question of the deteriorating standard of living (detailed in the second section), exemplified by the reduced access to social services following the reduction in the government budgetary allocation to these services and the introduction of user fees as part of the Structural Adjustment Programme of 1986.

There is a striking disparity between the strengths of approval or disapproval between the respondents from the formal sector and those from the informal sector on the question of the imposition of user fees in higher education. Informal sector respondents expressed strong disapproval and felt that higher education was no longer worth the price. This feeling was reinforced by the fact that a large number of them were involved in informal sector activities which required little by way of extensive formal training. The feeling was that they would rather induct their children early on into the trade instead of continuing to send them to secondary school for a (hitherto) free education - let alone paying to send them to secondary schools. Using the argument that what was good for them (and their children) now was good enough for the future as well, they saw no major role for higher than primary education in their economic situation.

On the other hand, the lower echelons of the formal sector were not negatively disposed towards the introduction of user fees as they perceived that it could mean better facilities (or for that matter, any facilities at all) in health, housing, social welfare and, especially, education. For this last category, the education of their children was of great concern, as they felt that higher education was the *modus operandi* of upward mobility in the Tanzania of the future. They seemed concerned also that their children should have a better education than they themselves had had and could, thus, do better in life. A concern frequently expressed was that their children should not be stuck in the lower echelons of the formal sector.

It is in this long-term perspective that the majority of the formal sector also felt that government control of salaries were beneficial to the nation as a whole. They were, in other words, prepared to make the short-term sacrifice in order to permit better opportunities in the future to arise. But it could also be that given the existing situation wherein government salaries were a smaller proportion of household income than the earnings from informal sector activities, it was seen to be almost futile to expect large increases in their official salaries anyway.

*Creation of private property rights in land* : In contrast to the earlier TANU guidelines and government policy which prohibited private ownership following the massive nationalization of the 1960s (detailed in chapter 3), the post-1986 liberalisation included the important concession of private property rights. This clearly militates against the egalitarian objectives of the earlier doctrine of preventing the accumulation of assets in the hands of the wealthy and the perpetuation of affluence through the further use of these assets for private accumulation. But it is in line with the more liberal attitude towards market-based incentives for private enterprise, which is the underlying premise of the Structural Adjustment Programmes.

The sample responses seem to express the contrasting ideological perspectives behind these two policy options. Nearly 75 percent of the formal sector respondents and 40 percent of the informal sector felt that private property rights were essential to tap the entrepreneurial potential of the nation - essential to the economic recovery and prosperity that the country desperately needed. On the other hand, more than 50 percent of the informal sector respondents and just under 25 percent of respondents from the formal sector expressed their disapproval at this government measure. While the disapproval of the formal sector is perhaps more understandable, being the ideological disapproval of private ownership of the means of production, the disapproval of respondents from the informal sector is a little more subtle. To them, this represented a withdrawal of rights of access and use to hitherto common property resources, either as grazing land or as pathways or as public access land in general.

*Formation of cooperative societies* : The Co-operative Societies Act of 1991 overturned the 1982 Co-operative Act and finally abolished the rather draconian measures of compulsory membership and hierarchical party control which were introduced in the Villages and Ujamaa Villages Act of 1975 and only mildly diluted in the 1982 version. The 1991 Act thus returned the "time-honoured Cooperative Principle of voluntary membership" (Yeo, 1992, p. 4) and disassociated the co-operative societies from the three-tier federal structure with an Apex body that had existed since 1975.

This Act had already been discussed and passed by the time of the field survey but had not yet been implemented fully. Nonetheless, because it had been discussed in the party meetings and in the local media, the respondents were conversant with at least these two main features. Its timing, however, caused a natural association with the demand for multi-party politics.

As the Table indicates, the respondents from the formal and informal sectors were divided in terms of their approval or disapproval, with around a fifth of the respondents in both sectors being indifferent to the issue. Nearly 50 percent of the respondents in the formal sector and 27 percent of those from the informal sector disapproved of the measure. This was rooted in the fact that co-operatives would no longer be under party control and could thus be subject to private manipulation without check from higher authorities. As Yeo (1992) puts it, there is the fear that the new Act represents a "jump backwards from Socialistic modes of Co-operation which did not help the poorest, to older styles which did not help them either" (p. 5).

But nearly half the respondents from the informal sector and a third of the respondents from the formal sector approved of the measure. The reasoning given for this preference was that this 'experiment' with villagisation had failed to help the people and it ought to be left to the voluntary enterprise of private individuals to make the best of a bad situation, a position that is ideologically close to the philosophy of self-help that underlies informal sector activities. Thus, in the rather sweeping terms of Yeo (1992), the Act was seen as "a commitment to trust the people to choose their own modes of Co-operation, anywhere on the spectrum between Marx and Adam Smith" (p. 5). Yet all this was without the benefit of actual

current experience with co-operatives based on private enterprise and largely based on the dismal performance of the party-controlled villagisation experiment. The lessons of history, in this case the pre-1968 cooperative movement, are perhaps too old to be of much direct use.

*An Overview of the Responses* : Overall, while there seems to be some feeling that the Structural Adjustment Programme has been at the expense of the social services sector and hence, as being against the people at large. Interestingly enough, these feelings of antipathy were largely overshadowed by the understanding that this was the only option in front of the CCM government. But it is important to note that although not wholly supportive, a large majority of the sample in the urban lower classes were not averse to specific SAP measures.

There seemed to be a high degree of awareness tinged with nationalist fervour and the general response was conditioned by a realisation of macro-economic improvements in Tanzania compared to the extreme scarcity of the early 1980s. Parastatal and cooperative workers felt that their situation would not be bettered unless and until there was an improvement in productivity and their cooperation was profitable given that they could not reasonably expect wage increases over and above the rate of inflation.

There also seems to be optimism about the future, despite the current declines in real income, which appears to have bred a certain degree of patient acceptance of what they see as temporary setbacks in their personal economic situation. Thus, despite the hardships that the Structural Adjustment Programme entails, it seems to be preferred to the earlier situation.

But in contrast to the reaction to the negative aspects of SAP, on the positive side, there seemed to be a widespread approval that merit and hard work would be rewarded in the new policy environment. Private sector employees and those self employed frequently enthused about the increased incentives for hard work offered by expanding opportunities. This principle of prosperity through hard work also influenced the view that the potential deterioration in socio-economic inequality (i.e., from an income disparity ratio of merely 6:1 in 1970's - a positive manifestation of the egalitarian setup in Tanzania) was acceptable because this was a matter of private

business prospering due to application, innovation and own effort.

The IMF's perspective on what needs to be done to improve the economic performance of Tanzania, therefore, seems by and large to find a responsive chord in the popular urban attitudes. The *Kazi* (or work) ethic, the much popularised facet of Ujamaa is heard time and again and party cadres among the lower classes reaffirmed the need to strive towards bringing it into effect. Significantly, so is the *Umoja* (or unity) attitude of (especially) the lower income groups. The informal sector workers (especially *matapeli*) displayed considerable zeal about working hard - more so now that there were incentives, opportunities and government support. There seems to be a realisation that though they have a marathon task (*kazi kubwa* or 'big job') before them, they would overcome it by hard work - captured in the oft-repeated phrase *kujatahidi kufanya kazi kwa bidii*. The predominant response of the respondents towards the Structural Adjustment Programme thus appears to be positive despite the fact that their personal economic situation had, as they saw it, stagnated or even deteriorated in the recent years. The feeling was that the situation would have been even worse in the absence of SAP, i.e., SAP was the lesser of two evils. On the positive side, there seems to have been a fillip to private enterprise and the real fear of the people appeared to be that, in the words of a regional planning officer of Arusha, "my 'weakness' will prevent *me* from developing now".

It is this spirit, in conjunction with the fact that SAP has severely affected real incomes (by removing subsidies on prices and by imposing user fees for social services), that has spurred the rapid development of the informal sector. As discussed previously, it is almost entirely in response to this trend in their standard of living that the majority of the urban lower classes, have had to pursue informal *mradi* (side-line) trading activities to support even basic minimum needs. These are examined in greater detail below.

#### 5.4.2 Responses to the Austerity Measures of SAP

Just as the crisis has not meant the same thing to everybody, individual activities in response to the crisis vary, both across rural and urban areas and across income classes and occupational structures. Nevertheless, there appears to be a

strong dialectical relationship between class position and survival strategy that is adopted in Tanzania. Sideline activities which demand relatively high initial capital investment like poultry farming, dairying, operating (pirate) taxies (*taxi babu*) and *dalla-dallas* (mini-buses), the letting of expensive houses to foreigners (with rents payable in foreign currency) remain the domain of middle and high income classes.<sup>21</sup>

Several 'survival mechanisms' have been adopted by individuals sampled in this category to supplement their regular or official source of income. But these informal sector activities are also pursued in the absence of a formal sector job, i.e., as a primary occupation for informal sector respondents. Table 5.4.4 below details the various sources of income for the 96 respondents from the informal sector from one or more informal sector activities.

**Table 5.4.4 : Informal-Sector Activity by Respondents in the Sample**

Income generating activity	Percentage of Respondents in the Informal Sector <i>(total = 96)</i>	Percentage of Respondents in the Formal Sector <i>(total = 47)</i>
Small-scale trading activity	87	71
Small scale urban farming activity	79	47
Poultry	17	25
Dairying	10	8
Others	7	15

*Note:* Respondents listed more than one source of extra income.

From the table, informal trading activities and small-scale urban farming activities account for the largest proportions of secondary activities in the sample.

<sup>21</sup> A particularly urban phenomenon is the proliferation of commercialised sex. Not only is prostitution becoming highly sophisticated and organized in terms of its mode of operation and the kind of institutions created to safeguard the interests including zones and markets of prostitutes, but there is a rising number of 'non-professional' prostitutes, who are what the local people term "after office hours" prostitutes - women who are employed in the formal sector and resort to prostitution as a sideline activity after office hours.



The former include the occupations mentioned in the previous section - selling prepared food items to shanty-eating places (*Magenges*), tailoring, shoe-shining, shoe-repairing, hair-braiding and curling, motor repairing and maintenance services and beer-brewing. Urban farming activities (largely a phenomenon of the 1980s) are usually undertaken by those who remain at home and usually involve growing vegetables in their back gardens or in empty plots of land to substitute for marketed produce and also to sell to others in the locality. Small gardens outside residential houses, full tilled with *mchicha* (spinach), are thus a common sight in Dar-es-Salaam.

But perhaps the more important feature that the Table highlights is the fact that nearly all respondents, even in a relatively small sample, appear to be taking up informal sector activities that form part of the Second Economy discussed earlier. At least every productive member of the household was involved, in one way or another, in a sideline project (*Mradi*). Even those in the administration and dependant on the state for social service and security had to resort to secondary activities. These percentages reveal the extent to which the informal sector provides a means of sustaining and supplementing incomes from formal sector jobs. They also indicate the extent of substitution of training and skill-formation in formal-sector activity which have proved inadequate to provide the necessary standard of living. This corroborates with direct observation and also substantiates the recently expressed view that 'while in the 1960s there were no Tanzanian entrepreneurs, now there are no Tanzanians who are not entrepreneurs' (*The Guardian*, 25th May 1990).

Nevertheless, some informal sector respondents also had more than one informal sector job and this feature is captured in Table 5.4.5 below, which lists secondary informal sector activities carried out in addition to their primary informal sector job.<sup>22</sup>

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<sup>22</sup> The concept of a secondary job for a respondent working in the informal sector is less intuitive than it is for a formal sector employee. But all the former refers to is the fact that informal sector workers may possess skills or training in another line of activity entirely - even if they do not practise these within the formal sector - or may have more than one job without prior enskilling or training. In cases where there is little training in either job, then the earlier job is taken to be the primary occupation. Thus, the secondary occupation may well turn out to be the more paying job. Examples of secondary jobs would be a carpenter without a regular job in the formal sector who sells newspapers in the bus-station or a cycle-repairer on the road-side who may be a part-time *askari* or security guard on night-shift. In the latter case, the later job would be the secondary occupation. It must also be noted in this context that Table

**Table 5.4.5 : Secondary Occupations of Informal Sector Respondents**

Secondary Occupations	Dar-es-Salaam (50)	Dodoma (20)	Arusha (26)
Hair braiding (at home)	5	1	4
Tailoring (at home)	6	-	4
Small scale farming or assisting in farming	12	2	2
Supplying cooked food to snack bars	3	-	5
Domestic help/running errands	4	2	-
Dish-washing and cleaning in small/large restaurants	-	1	2
Securing clients for safari companies	-	-	4
Hawking	3	-	2
Kiosk vending	4	1	-
Security guards	7	-	1
<b>Total</b>	<b>44</b>	<b>7</b>	<b>24</b>

*Note:* Figures in brackets represent sample size of informal sector respondents in each city.

A notable feature of this table is that the majority of the urban lower class respondents are resorting to legal informal sector activities although the *matapeli* economy is by no means unrepresented. Also, the sample does not cover those engaged in the large-scale illegal activities either concerning smuggling or government corruption.

But it is clear that while these may be the responses of the urban lower classes to changes in their personal economic situation, their perception of the wider or indirect effects of Structural Adjustment policies on other citizens, the government and the country as a whole also serve to condition their political responses to the Structural Adjustment Programme as a whole. These political responses are examined in greater detail in the following section.

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5.3.3 in the previous section gave the primary occupation for the respondents in the informal sector.

## 5.5. Political Responses to Reform and their Implications

### 5.5.1. Views on Government Performance

Although the attitudes towards the government's performance in implementing the Structural Adjustment Programme is closely linked conceptually to the attitude towards the party (i.e., in a one-party state), the latter is taken up in the next subsection. This section intends to evaluate the urban lower class's perception of the government performance in implementing SAP and is thus connected to the previous section.

The government implementation of policies legalising the informal sector and increasing minimum wages (although not in real terms) along with offering incentives and allowances have been viewed with universal acclaim. Though there was a strong disapproval of the corruption and inefficiency of the leadership, the *wananchi* (the people) appreciated the anti-corruption purges initiated and sustained by certain sections of the government machinery, notably Nyerere, Sokoine, Mwinyi and now, the unconventional efforts of Augustine Mrema, the Minister for Home Affairs. Overall there was a general approving attitude towards the economic and administrative re-structuring along the lines of what they perceive as economic realism.

But at a more general level the Tanzanian attitude towards the CCM government, SAP and the question of political liberalisation is related not merely to the government performance, but also to how the urban lower classes comprehend the situation filtered as it may be by what they are exposed to through their leadership. Here there seems to be a lack of clarity within the urban lower classes about the ideological contents of Tanzania's economic policies.<sup>23</sup> The party thus seems to be quietly endorsing all the market-oriented capitalist legislation of the present government while senior party and government leaders (especially party

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<sup>23</sup> While the official policy of the CCM (the 15-year programme launched in Dodoma in 1987) to guide the country into the next century is based on socialism and self-reliance, the premises of the Structural Adjustment Programme and the Zanzibar Declaration in 1991 obviously contravene it. For details of the Zanzibar Declaration, see Chapter 4, section 4.4.5.

deputy chairman Rashidi Kawawa and Prime Minister John Malecela) continue to defend socialism in public.

The patriotic notion of the CCM as a movement for independence against the colonial authority as well as the CCM's egalitarian premises make the urban lower classes quite appreciative of the system despite little illusions about the corruption and nepotism among the leadership. Ujamaa, *umoja* (unity), *uhuru* (freedom) and *maendeleo* (development) along with self reliance - the brave political slogans of the CCM government - are viewed as having created a Tanzanian culture that the Tanzanians are particularly proud of. The *wananchi* however are not interested in *siasa za mdomoni* (political rhetoric) but want a conducive political environment facilitating national and individual development efforts. This is a political culture which, with its high level of political education and with its 'semi-competitive' nature (with many instance of voters expressing explicit opposition and discontent), cannot be taken lightly. There is no denying that the urban lower classes have been questioning the *maendeleo* part of it - oft-repeated as *wapi maendeleo* (or where is development)? It is in this role that at least some of them perceive the Structural Adjustment Programme.

While the IMF's SAP may be enshrined in Tanzanian law, the bulk of it has yet to be implemented - or set aside as the case may well be. Hence it would indeed be presumptuous to assume either that the generalisations about the urban lower class's responses are to Structural Adjustment policies only or that they are definitive of the political responses to come.

#### 5.5.2. Views on Multipartyism

Surprisingly, there was little association between membership and views on the viability of a multi-party political system. Just over half (56.6%) the respondents from the informal sector and the lower administrative class were members of the CCM party, as Table 5.5.1. below shows. Nearly all (93.6%) the respondents from the lower administrative class sampled were CCM members while less than 40% of the informal sector respondents belonged to the party, although the 81 party members are divided fairly evenly across the formal and informal sector samples.

**Table 5.5.1 : Party membership within the Sample**

Urban Lower Class Sampled	Total Number of Respondents	Number of CCM members
Informal Sector	96	37 (38.5%)
Lower Echelons of the Formal Sector	47	44 (93.6%)
Totals	143	81 (56.6%)

The high proportion of party members within the formal sector could well be because it is almost mandatory for government employees to not only be CCM members and to have been through ideological training (at the Kivokoni Ideological Training Institute at Dar-es-Salaam). When asked, however, there appeared to be an element of choice in the decision to join the party. Of the 44 CCM members from the lower administrative class, nearly all said they were members because it was a right (to an interlinked social and career network) whose benefits they did not wish to forego. Only a small minority of 4 said that they had joined the party because of 'good leadership and organisation'.

Within the sample of informal class respondents, the reasons for joining the party varied. Among the 37 informal sector party members, more than half (19 out of 37) took the view that it was a right that they had chosen to exercise (and which they would lose if they did not). Ten respondents felt that CCM membership would help to build useful connections and had joined because of the party's leadership and good organisation. Eight said they had joined because they found its policies agreeable.

The responses regarding the preference for a multiparty versus single-party political system are outlined in Table 5.5.2.

**Table 5.5.2 : For and against multipartyism**

Preferred Political System	Informal Sector			Lower Echelons of the Formal Sector			Totals		
	Party	Non-Party	Sector Total	Party	Non-Party	Sector Total	Party	Non-Party	Total Sample
	(37)	(59)	(96)	(44)	(3)	(47)	(81)	(62)	(143)
Single-party system	27 72.97	18 30.5	45 46.8	14 31.81	-	14 29.8	41 50.62	18 29.03	59 41.26
Multi-party system	10 27.03	41 69.5	51 53.2	30 68.19	3 100.0	33 70.2	40 49.38	44 70.97	84 58.74

*Note :* Figures in brackets are sector totals and sub-totals for party and non-party respondents.

While half the 81 party members from both the formal and informal sectors appear to have been led by the nature of the question and their official position to reflect the 'safe' pro-party anti-multipartyism line of argument, the other half quite openly acknowledged their support for the multi-party system. Further, while the relatively small proportion of party members in the informal sector was almost evenly divided on this issue, the formal sector with its high proportion of party members (nearly 94 percent) was clearly biased towards the multiparty system (70 percent to 30 percent).

The reasons behind the preferences of respondents both for and against multipartyism are detailed in Table 5.5.3 below, along with the numbers that supported each side of the various arguments.

**Table 5.5.3 : Responses to the Prospect of Multipartyism**

Changes presumed to accompany a multiparty political system	Number of respondents who agreed	Number of respondents who disagreed	Number of respondents undecided
More democracy	17 (11.9%)	123 (86.0%)	3 (2.1%)
Better government	69 (48.25%)	71 (49.66%)	3 (2.09%)
Better policies	60 (41.96%)	62 (43.36%)	21 (14.68%)
Removal of lazy, inefficient or corrupt leaders	98 (68.54%)	41 (28.67%)	4 (2.79%)

*Note :* Total number of respondents: 143.

The explanations for the preferences of political system are interesting since they add an illuminating sub-text to the initial responses. In brief, they show that the preference for multipartyism does not stem from a belief in the virtues of democracy, but rather from a deep dissatisfaction with the existing government set up. In other words, it is largely a negative preference. And, interestingly enough, so is the preference for the single-party system.

*For a Single-Party Political System :* A majority of the party members within the sample who favoured a continuation of the single-party system said that they preferred it over the multiparty system because felt that the (single-party) CCM was essential to maintain peace, order and sustained development in Tanzania. 15 percent however explained their preference in terms of being used to the established institution of the one-party system.

But others revealed that a significant part of their preference for a single-party system is by default. Firstly, it is on account of the 'nebulous', 'opportunistic' and non-viable opposition. This has been exacerbated by the fact that the state media (largely, the pro-government newspaper *Daily News* and the sole, government-owned radio station, *Radio Tanzania Dar-es-Salaam*) has not given it commensurate publicity.

Secondly, multipartyism holds out the threat of disunity and disruption through the emergence of religious, ethnic or tribal differences. Any breakdown of the existing link between the party and the army also raised, for the sample, the genuine fear of an army coup (as has happened in many African countries).<sup>24</sup> Indeed there is a history of several African countries which opted for multiparty political systems after Independence and ended up dominated by tribalism, or civil wars. Tanzania, in contrast, has had no such wars and it is widely believed that this has been due to the introduction of the single-party system after independence. Now the fear is that the multiparty system would encourage tribal, racial and religious

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<sup>24</sup> A fruit-stall owner in Jangwani expressed his fears that multipartyism would lead to the collapse of Ujamaa and self-reliance and observed: "each party would formulate and impose its own policy - the army may form its own party and impose orders on the masses, thereby depriving the people of their democratic rights; the army would never return power to civilians... the existing good relations between the army and the party would not be maintained in the presence of many parties".

differences - which Magomeni resident Ahmed Logomi believes are "factors which would lead to killing, misunderstanding and chaos in the country". There was also the fear that the Union of Tanganyika and Zanzibar might break up, were the multiparty system to be introduced.

Thirdly, scepticism for the multiparty system stemmed from the nature of the social and economic costs involved in the changeover. In the words of a housewife (and part-time informal sector worker), "having multiparty in Tanzania is like poor parents with many children whom they can't afford to bring up properly".

A fourth reason put forward for preferring a single- rather than a multi-party system was, as a worker from the wire industry put it, that "those who were for a multiparty system were hungry educated young persons seeking power for their own interests".

Yet others felt that while the CCM leadership had been weak and corrupt and had led the nation to succumb to poverty and underdevelopment, there was no guarantee that multi-party system would clear the vices in the Tanzanian society. In fact, some respondents felt strongly a multiparty system might encourage even more corruption.

*For a Multiparty Political System :* The overwhelming support for the multiparty system among both the formal and the informal sector respondents was based on reasons distinct from the desire for a more democratic political system. Only about a tenth of the respondents believed that more parties meant more democracy. To the others, a preference for multi-party politics was more a preference against single-party politics.

Interestingly enough, even those opposed to the multiparty system felt that the organization of the CCM left much to be desired. These felt that CCM had ruined the economy and that a further delay to pluralism will only harm the economy more. Some wanted the removal of NEC secretaries in order to eliminate the bureaucratic element within the party. But most others were of the opinion that it would be suicidal for the CCM government to expel most of its functionaries, as part of any such internal drive against corruption, because these may simply cross over and join the multiparty proponents - as had already happened with several



former party politicians (stripped of their portfolios in the single-party system and now campaigners for a multiparty system).

Yet, others preferred multipartyism on the grounds that "everyone would now belong to a political party of their own choice" - implying that the CCM was obviously not everyone's choice - and predicted that the CCM would still be at the helm under pluralism because of a "weak opposition".

But the most important reason that emerged was a deep dissatisfaction with the corruption and inefficiency within the CCM government, and this was a dissatisfaction shared by respondents in favour of either political system.

*Against CCM politics* : The majority of respondents, nevertheless, felt that the 'debate' on multipartyism has helped to keep the CCM on its toes. Thus, although they expressed considerable doubt on the question of the viability of an opposition government, the urban lower classes felt that the competitive element was making the CCM pull up its socks which has already led to internal (intra-party) reform and greater accountability from both the government and the party. While they felt that the CCM still enjoyed wide popularity, the general attitude was that it needed a challenge to "keep it on its toes" and that deliberate efforts should be made to overhaul the entire CCM. Some even suggested that all the CCM leaders should resign if the country was to become a clean house. Other single-party supporters urged it to be more aggressive in its struggle against corruption, racketeering, embezzlement of public funds and so on.

Others felt that the CCM must change the system of electing district and regional chairmen to involve more members in the exercise if it was to maintain its political credibility. They observed that the present system whereby a handful of party members elected the chairmen provided loopholes for the leaders to bribe their way into office. Some, like Omari a parastatal worker in the Agricultural Industrial Supplies Company (AISCO), felt that although they preferred a single-party system, "it would be good if these leaders were elected by all party members in a given district or region to determine their popularity and capability". They also felt that multi-partyism should not be introduced on an experimental basis, in case they should have the concomitant dislocation and disturbance they had experienced in the

case of ideological drives for villagisation (*ujamaa vijijini*), local governments and cooperative unions.

Interestingly, there appeared to be little correlation between the percentage of respondents who thought their own household economic situation had improved in the last five years and those who were for the CCM leadership to continue. Most felt that the CCM had done well over the years though the response was not universally positive about the last five or six years. Here, the workers and the urban income groups particularly referred to the leadership qualities of Mwalimu Nyerere although there was a similarly positive feeling towards the current President Mwinyi, the main architect of the current reform, for attempting to 'move with the times'.<sup>25</sup>

There are three important features of the responses that emerged. Firstly, it must be noted that it would be misleading to generalise from opinion for or against the CCM to opinions for or against multipartyism, since sentiments against the CCM could be entirely consistent with a preference for a single-party political system.

Secondly, there is a thin line between a positive preference for one political system and a negative preference for the alternative. That is, fears of the possible consequences of multipartyism sometimes kept the respondents from expressing a positive preference for that system although they may have been dissatisfied with the existing single-party system. Conversely, dissatisfaction with the single-party system - rather than a positive preference for a multi-party system - seem to underlie preferences expressed for a multi-party system.

Thirdly, and relatedly, the reasons quoted in support of their preference for a multiparty political system have much less to do with ideas of democracy and much more to do with eliciting better government policies and with eliminating corruption and inefficient leadership structures. Indeed, it could perhaps be deduced that the true implication of these observations is that the call is for a 'cleaner' government - not necessarily a more democratic one.

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<sup>25</sup> Only a minority of respondents, like Ali Mussa, a vegetable vendor along Maktaba street, were indifferent to the CCM party and the whole issue of multipartyism. As long as he was able to continue to peacefully sell his shirts, bedsheets, sunglasses and other assorted miscellany, Mussa said, "*achia wazee wafanya vitu viyo*" ("let the leaders do their thing")

Adding the considerable doubts expressed regarding the viability of an opposition government and the belief that the competitive element has already led to internal (intra-party) reform and greater accountability from both the government and the party, it appears that the real demand is not for a multiparty system for reasons of greater democracy, but for better government. The dilemma facing the person on the street is whether this will come from a continuation of the CCM, a continuation of the single-party system or a change to a multiparty system.

## **5.6. Conclusions : Political Implications for Further Reform**

The general conclusions possible at the end of this review of the responses of the urban lower classes may be divided into those concerning the future implementation of the Structural Adjustment Programme and those pertaining to the form of the political system in the country.

The first feature is the strong disapproval for the rise in prices of essential commodities following the removal of government subsidies - which have implied continuing deterioration in the standard of living with cuts in welfare spending on education, health and other social services adding to the depreciation of purchasing power of the lower classes in urban Tanzania. Particularly worrying is the reaction to the introduction of user fees for education amongst the informal sector. This is significant in that it indicates a disregard for the role of education in future prosperity of this respondents from this sector, which is especially disheartening in a country which had the highest education levels in Black Africa in the mid-1970s.

But the second feature of the responses is the flip side of the reform, the expanding possibilities of entrepreneurial activity and the increasing availability of necessities and luxuries from both domestic and foreign sources. There was strong approval for the easy availability of imported commodities as well as for second-hand clothes. But this was also seen as a mixed blessing. The import of luxury goods was not acclaimed by entrepreneurs in the informal sector who felt that liberalisation had generated too much competition for local enterprise to withstand. But the easy access and high relative profitability of informal sector activity, especially in comparison with formal sector activity and the minimum urban wage

has caused a rapid increase in the magnitude and scope of informal sector activity, which now supplements the income of almost every urban household in Tanzania. Mention must also be made in this connection of the increased role of women in economic activity, especially in the urban household economy, which is likely to increase significantly in the future.

A third noteworthy feature of the responses is the recognition of the strong growth potential of the informal sector, especially with the recent government approval for such entrepreneurial activity. Also, diminishing official government control over pricing, marketing and distribution with liberalisation has meant a wider space for the 'unofficial' informal economy. With its productive use of domestic material, artisanal/entrepreneurial skills, tools and equipment and low overheads - the informal sector is comparatively self-sufficient and so much less vulnerable to external 'shocks' like shortages of foreign exchange, imported inputs and spares.

This combination of impacts from the reform process perhaps accounts for the fourth feature of these responses, a tolerance for the current economic hardships, both in anticipation of better things to come and in acknowledgment of the increasing benefits from the reform process. This is particularly so in the case of the informal sector respondents, who might have faced a steeply falling standard of living in the absence of informal sector activity. Even within the formal sector, while a part of the tolerance for the deteriorating economic situation and the austerity measures of the reform (government control of salaries and the imposition of user fees for social services) is partly because of their exposure to party and government justifications and as a result of their wider perception of a lack of viable short-run policy alternatives, a large part of it, however, is also due to the incentives offered by the government for entrepreneurial activity (like a five-day week, a modification of official working hours to suit extra-income informal activity and subsidised bank loans for entrepreneurial ventures). In both sectors, thus, the *ujamaa* ethic of *kazi* (work) has been conveniently modified to suit the liberalisation circumstances.

Regarding the implications for further political reform, the multiparty system does not imply more democracy for a majority of the sample of respondents. This is a significant finding in the context of Tanzania because of the well-developed political culture that has served to set it apart not only in the context of African

countries, but also within developing countries in general.<sup>26</sup> Indeed, successive political reforms in Tanzania (including locally constituted development planning committees) have been regularly presented and justified as institutionalisation of democracy.

Further, the sample wanted better government rather than any particular form of political system. Preferences for political system, however, tended to be negative rather than positive, focusing on the inadequacies of the other alternatives rather than on the advantages of the system of their choice. In general, thus, a good government based on a single-party political system was preferred to a multiparty system which a large part of the sample believed to be disruptive and capable of creating ethnic and tribal division and hence national disunity.

But as these economic and political implications depend on the manner in which Structural Adjustment policies are implemented, the political responses of those responsible for future implementation and those capable of influencing political opinion in the country are a significant factor. The responses of bureaucrats, party and political functionaries and the intelligentsia to the implications of Structural Adjustment are thus an integral part of the political responses of the country as a whole, and are taken up in detail in the following chapters.

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<sup>26</sup> Samoff (1992) points out that "the level of effective citizen participation, not only in voting but also informed and critical intervention in national political debates, is higher in Tanzania than in much of Africa and the Third World" (p. 184). For similar but earlier views see *inter alia* Nellis (1972) and Pratt (1976).

## Chapter 6

### The Administrative and Party Bureaucracy

#### 6.1. Introduction

The focus of this chapter is the political response of the administrative and party bureaucracy in Tanzania to the IMF-sponsored Structural Adjustment Programme (SAP) and the move towards a multiparty political system. The term 'administrative bureaucracy' is used here to refer to officials in the government hierarchy, basically civil servants, who are responsible for the administrative functioning of the government. The term 'party bureaucracy', on the other hand, is used here to refer to Members of Parliament (who have to be party members) as well as officials at various levels within the party hierarchy.<sup>1</sup>

Apart from an overlap of functions and roles due to the co-existence of two hierarchies of officials, the party-state interphase in the single-party state of Tanzania has led to a rather distinctive institutional framework for both the administrative and party bureaucracy. These are discussed in the following section. This section also discusses the charges of inefficiency and corruption that have been made, especially in the 1980s, against the bureaucracy in Tanzania.

The third section then details the salient features of the sample of administrative and party bureaucrats, including their age-groups, educational achievements and the proportion of women.

The fourth section analyses the responses of this sample to the changes in both their personal economic situation and the wider economic situation brought about by first the crisis and then the IMF-sponsored Structural Adjustment Programme (SAP) implemented post-1986.

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<sup>1</sup> This is of course an artificial distinction made for analytical clarity. Elsewhere, especially in quotations from other work, the term 'bureaucracy' is used in the conventional sense to refer simply to the officials in the government hierarchy.

The fifth section looks at the evaluation by bureaucrats of policy-making and implementation before and after 1986. It goes on to discuss their perception of the performance of the CCM government in the implementation of SAP policies as well as their perspective on the prospect of multiparty politics. A concluding section presents the major findings of the chapter.

## **6.2. The Bureaucracy of the Single-Party State : Essential Features**

The United Republic of Tanzania has an Executive President, a single-chamber Legislature (called the National Assembly) and a Constitution which vests formal and final authority within the single-party state with the single party, the *Chama Cha Mapinduzi* (or CCM).<sup>2</sup> The power of the Executive President<sup>3</sup> and the supremacy of the party over the Parliament in all matters, including the important area of policy-making, as well as the semi-competitive nature of the party-state have made for a unique institutional framework for the operation of the bureaucracy. These special features, it is here argued, have created a unique context within which even the often-made charges of inefficiency and corruption within the Tanzanian bureaucracy must be viewed. But first, the basic features of the single-party state.

### **6.2.1. The Party-State Interphase**

The single party in Tanzania is strongly hierarchical, with elected and nominated members staffing local, regional and national-level party organisations based on a Conference-Executive-Committee model (Cranenberg, 1990, chapter 4). At the top are the National Conference - which is the supreme *de jure* organ of the

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<sup>2</sup> For a detailed account of the development of the Constitutional provisions for an Executive President, for a single-party state and for party supremacy over the Executive, see Cranenberg (1990) chapter 3, Samoff (1987) or Okumu (1979), pp. 52-56. See also Chapter 3 above, especially, sections 3.2 and 3.3, for a brief account of the development of the single-party state in Tanzania and the birth of the CCM in 1977.

<sup>3</sup> The Constitutional Amendment of 1984, however, "substantially weakened the president in favour of the Party" (Okema, 1990, p. 38). These changes, including the limiting of the Presidency to two terms of office and the institution of a minimum age of 40, were apparently aimed at eliminating the possibility of having a dictator President (Mutahaba and Okema, 1990).

party, the National Executive Committee (NEC) - which is the supreme *de facto* party organ, and the Central Committee (CC) - which oversees the day-to-day party affairs as well as the implementation of policies generated by the NEC (ibid.).<sup>4</sup> The NEC, which meets far more frequently than the National Conference (every three months compared to every five years), is the chief executive organ of the party which formulates guidelines on party policy and has the power to "initiate, discuss, make decisions and issue guidelines on Party policy in various fields" (ibid., p. 115; see also Okumu, 1979, p. 48). The Central Committee also enjoys "considerable powers of patronage" since it is the "appointing authority for all party offices not to be filled by the President" (ibid., p. 116). Interestingly enough, the Parliament - consisting of the Executive President, the Cabinet and the Members of Parliament - is part of the National Conference, although not all MPs belong to the more powerful National Executive Committee (Barkan, 1979a; Cranenberg, 1990). The administrative machinery of the government, including the civil service, is also subordinated to the party.

Lower down the party hierarchy, a similar Conference-Executive-Committee setup exists at regional and district levels of the party hierarchy with the lower branch and cell levels having a slightly different organisational layout (including more frequent meetings and no Working Committee), representing a concentration of effort on activating the grass roots of the party (ibid., p. 113).<sup>5</sup> Mass organisations, like the trade unions, women's and youth organisations, are also part of this party hierarchy with elected members in the National Executive and the Regional and District level Committees (Cranenberg, 1990, chapter 3).

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<sup>4</sup> Cranenberg (1990) notes that while the Constitution proclaimed the National Conference the 'ultimate authority' responsible for "formulating the general policy of the party and the supervision of its implementation" with an "impressive" list of other functions (including the nomination of a candidate for the Presidency of the United Republic), "the effect of its supremacy within the party was considerably reduced by the low frequency of its meetings", which was normally once in five years (pp. 114-115). In practice, therefore, "the meetings served to endorse party documents formulated elsewhere or candidates nominated elsewhere" (p. 115).

<sup>5</sup> At the very bottom of the hierarchy are Cells, with ten families comprising a cell in rural areas and fifty in urban areas including places of work, which have elected Leaders and meet at least once a month to discuss, "explain and defend party and government policies in the area" (Cranenberg, 1990, p. 113).



As the formal codification of the ideology of *ujamaa* in both the 1967 Arusha Declaration and the 1971 *Mwongozo* indicate,<sup>6</sup> the single Party has aspired through the state to create a hierarchically-ordered and centrally-controlled economy and society in which orders flowed downwards and obedience upwards. Structurally it is a tightly-coupled organisation with pre-determined relations between party and the state, between state and civil society, and between party and non-party members. Low-level organisations and functionaries are supposed to depend on the hierarchy just as districts and regions depend on headquarters. Action is supposed to be pegged to precise instructions and behaviour and conduct, likewise, is pre-determined and pre-programmed, supposedly on the basis of *ujamaa* (Cranenberg, 1990).

However, this is not necessarily a homogenous 'state' class with unanimity of purpose and direction. Samoff (1987) sees four 'poles' of power in the single-party state although power alternates between them. While three poles are, respectively, the single party - especially the National Executive Committee (NEC), the government - both the legislature (National Assembly) and the administrative bureaucracy, and the President, the fourth pole consists of "local political coalitions" which have formed from time to time, "resistant to central direction from party, government and presidency and effectively able to channel or block the implementation of national policies" (p. 160). Describing the "fluid" relations between these poles of power Samoff writes:

"Redefining those relationships is itself a focus for political conflict. Although the supremacy of the party is regularly reiterated, in practice the party (that is, its national leadership) has not always prevailed. In many circumstances, the party neither governs nor rules, but rather operates as one channel for political participation alongside others. In other circumstances, the party dominates the policy-making process but is only partially successful, and sometimes not successful at all, at securing the implementation of its policies. The party often also functions to legitimize policies and programs of which it is not the creator" (pp. 151-152).

Although this pictures the single-party state as being riven with power factions in constant flux, the fact that the NEC and the country's President-cum-

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<sup>6</sup> See Chapter 3, sections 3.3.1. and 3.3.2., for more details.

Party Chairman work in close harmony and that there is a close overlap between NEC decisions and national policy ought to considerably diminish any ambiguity there may be about the locus of political power in the single-party state. Party functionaries, civil servants and legislators are largely concerned with carrying out pre-determined policies.

#### 6.2.2. The Party Bureaucracy : Patronage and Accountability

An important feature of this party-state interphase is the semi-competitive nature of the party with an 'electoral regime' (Bienen, 1974) enforcing periodic accountability in most major party posts, including those for Party Chairman and the President of the Union.<sup>7</sup> This has helped hold in check any major tendency towards exploiting either the heavily statist nature of the state or the subordination of the administrative bureaucracy to the political machinery by party functionaries, including Members of Parliament. Most aspiring Members of Parliament have to face parliamentary elections as do local government council officials (although district level elections were suspended from the early 1970s to the mid-1980s), cooperative officials (also suspended for about a decade), cell leaders - the lowest level party officials, as well as those wanting party positions in branch, district, regional and national party committees (Samoff, 1987).<sup>8</sup>

This unique feature of the Tanzanian state gives it flexibility and the ability to absorb new trends and ideas, including radical policies with adverse implications for powerful vested interests (Cliffe, 1967; Saul 1974). This also means that there

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<sup>7</sup> It was the 1965 Constitution which provided for contested elections within the single-party framework. For extensive discussions of party elections, see *inter alia* Samoff (1987), Cranenberg (1990), Barkan (1979) and Bienen (1967).

<sup>8</sup> In most of these elections, Samoff (1987) writes, "the process involves both screening by the party at the relevant level and then voting for contested seats" (ibid, p. 151). There are three significant features of such elections: first, there are normally only two contestants for each office, thus enabling the single party to "eliminate some aspiring officeholders and by using that power, to discourage others"; second, political campaigns are "controlled and managed by party delegates"; and third, candidates must usually "share formal appearances with their opponents and are limited on time, topic and campaign expenditures" (id.).

is intense competition within it for elections to Parliamentary and Party posts.<sup>9</sup> Such an electoral system functions as an important feedback mechanism between Tanzanian citizens and party officials, which the masses have been able to play skilfully to limit elite power and occasionally outplay them. For it is not so much the national-level committee work that determines the contribution of sitting MPs and other party functionaries in such public elections as the regular constituency work of the state and the servicing of the clientele network to which they are linked (Schlosser and Siegler, 1990; Van Donge and Liviga, 1990; Barkan, 1979b). The fact that between 70 and 80 percent of the population have registered as voters each time since 1960 and that voters have been making increasing use of the possibility of casting invalid votes serves to warn the political elite against taking party and parliamentary positions for granted.<sup>10</sup> Voters can and do punish politicians who they feel have not serviced local community needs, as is apparent from the rate of turnover of political functionaries (Samoff, 1987, pp. 158-159).<sup>11</sup> Nevertheless, while elections are compulsory for almost all major posts at the all levels of the party hierarchy, there are still a substantial number of posts that are filled by Presidential or party nominees.<sup>12</sup> And this implies considerable powers of patronage for certain officials within the party hierarchy.

But those political functionaries for whom the threat is effective have to constantly balance patronage relations and electoral-community servicing with

<sup>9</sup> Van Donge and Liviga's (1990) election study reveals that 119 constituencies attracted 1145 candidates, i.e., nearly 10 candidates per seat.

<sup>10</sup> See Bavu and Okema (1990) for an analysis of invalid votes in the 1985 elections.

<sup>11</sup> The following table gives an idea of the rate of turnover and hence the danger of assuming 'safe' seats:

<u>Years</u>	<u>Turnout</u> (% of registered voters)	<u>Turnover</u> (% of 1st term MPs)	<u>% of losing incumbents</u>
1965	73	80	45
1970	72	70	33
1975	82	64	42*

[\* previously elected incumbents only.]

<sup>12</sup> Samoff (1987) notes that while 81 out of the 188 (or 43 percent of the) seats in the National Assembly were nominated, this proportion is still around 40 percent in 1985.

national committee responsibilities. However, the squeeze on economic power during the economic crisis, over and above that imposed by the austerity of party ideology, has led to charges of corruption being voiced with increasing frequency in the 1980s.<sup>13</sup> But this is a charge equally applicable to the administrative bureaucracy and consequently it is taken up separately in a later sub-section.

### 6.2.3. The Administrative Bureaucracy : Roles and Responses

The post-colonial imperatives of Africanisation and nationalisation coupled with the state-dominated development strategy adopted by Tanzania resulted in the rapid replacement of foreign with indigenous personnel in public organizations and an expansion of the bureaucracy. But unlike its smaller, more experienced and skilled colonial predecessor, this set of bureaucrats appears in hindsight to have been ill-equipped to develop the nation's economy, being widely lacking in knowledge, skill, experience and risk-taking ability. This was largely because the paucity of experienced African civil servants to replace the expatriates meant that "a pool of qualified African personnel had to be created almost from scratch by building and staffing a new university, institutes and schools" (Jackson and Rosberg, 1986, pp. 210). This almost naturally resulted in "an expanding bureaucracy composed of untested university and school graduates" who "were placed in command when the Tanzanian state took direct control of the national economy in the late 1960s and early 1970s" (ibid., 1986, pp. 210-211). Worse still, these nationalisations removed the possibility of a countervailing private sector against which to measure the performance of the public sector (including large state-owned parastatals) that the bureaucrats had been called upon to manage and run (ibid).

The civil service was coopted into the party hierarchy through a series of moves beginning with the appointment in the early 1960s of civil servants as Regional Heads of Government, or Regional Commissioners. They were simultaneously made Regional Party Secretaries, which made them *ex officio*

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<sup>13</sup> While the charge of inefficiency would also be plausible given that these party bureaucrats are largely untrained in the professional requirements of policy-making and planning and often subject to party directives 'from above', it is surprising that this is not an issue to be found in the literature.

members of the Party National Conference and the National Executive Committee - and hence members of the party hierarchy in addition to the government hierarchy (Cranenberg, 1990, p. 68).<sup>14</sup> Both Cranenberg (1990) and Samoff (1987) note that there was considerable opposition to the co-option of the administrative bureaucracy within the political ambit of the single-party state but that the latter finally "eliminated the barriers to civil servants' political activity" (Samoff, 1987, p. 156).<sup>15</sup> Samoff (1987) observes that this meant that "[r]egions and districts thus had as their senior administrative officials individuals appointed directly by the president and responsible to him through both civil service and party channels" (p. 156). Although in 1985 the roles of party secretary and commissioner roles were divorced, for over two decades this arrangement - while beneficial in the sense that local citizens had frequently to deal only with one individual with a position in each hierarchy - had often resulted in situations where "even the commissioners themselves could not specify clearly, or found it useful not to distinguish, when they were speaking as commissioner and when they were speaking as party secretary" (id.).

The subordination of the administrative bureaucracy to the party meant that in Tanzania the bureaucracy was rarely called upon to perform its conventional role of policy analysis, policy formulation, and policy evaluation (Hyden, 1979; Barkan, 1979b; Cranenberg, 1990). Instead, the bureaucracy was forced to share power with party functionaries regarding policy implementation and to be subservient to the dictates of the Party machinery regarding policy-formulation. As Pratt (1976, p. 226) puts it, "the party far from meekly ratifying the policy proposals of a conservative civil service, has tended instead to be resistant and unsympathetic to

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<sup>14</sup> This was later extended to the district levels as well, with the appointment of Area Commissioners who also doubled as Area Party Secretaries.

<sup>15</sup> Samoff (1987) writes that the colonial model of government in Tanzania, where civil servants were protected from political pressure "by excluding them from directly partisan activities and by sheltering them from directly partisan attacks", had forced Nyerere himself "to choose between his job and his active participation in the nationalist movement" (p. 156). Cranenberg (1990) writes, quoting Pratt (1972) that "[f]riction developed between the new African political leadership and the highest echelons of the civil service, frequently European and better educated" and that "politicians began to object [to the "constitutional provision that freed the civil service from direct political control"] and argued for political control" (p. 62). Their argument was that the conditions for economic under-development called for a different style of politics where "civil servants needed to be mobilised for political goals" (id).

those who speak the language of priorities, moderation, bottlenecks and shortages". And herein lies the contradiction of a bureaucracy that should have in fact been a powerful institution given the strength of the single-party state.<sup>16</sup> Yet it appears to have been reduced to an economically and politically innocuous body of administrative functionaries (at least at the national policy-making level) and also charged with administrative mismanagement. These were not the only charges.

Discrimination had come early, in the form of suspicion regarding their ideological commitment. They were regarded as having "been to" (Europe and/or America) and having consequently acquired foreign tastes and values which were, in the days of *ujamaa*, invariably regarded as anti-*ujamaa* and pro-capitalist. Such suspicion brought on an ideological onslaught. First, the government sought their ideological commitment by making membership of the party compulsory for the bureaucrats. Next, a party ideological college was opened and attendance by all administrators was made compulsory.<sup>17</sup>

But others have suggested that the civil servants were actually caught out by the institutional feature of the single-party state that gave the party leadership virtual control over policy-making, leaving the legislature and thus the civil service only to oversee the implementation of pre-determined policies. Hyden (1979), for instance, feels that civil servants "have been overwhelmed by new policies and programs in which the conflicts between ends and means have not been resolved in advance" (p. 100). It is entirely possible, thus, that with their views disregarded at the policy-making stage, any non-implementation of state policy could then be thrown back at the civil servants as 'inefficiency' (ibid., p. 101). This is not to say that the administrative bureaucracy is entirely efficient, but merely to suggest that there may

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<sup>16</sup> Analysts from the Fred Riggs school of thought, like Heady, Eisenstadt, Pye, Abernathy and Selassie, would argue, for instance, that in the absence of a private sector and due to its monopoly of administrative and technical skills, the bureaucracy would be difficult to control because it would simply be too strong for other institutions to challenge (Hyden, 1979, p. 94).

<sup>17</sup> While this had the desired effect of indoctrinating the bureaucracy with the party's ideological position, it also had the favourable effect of reliving somewhat the tension between the civil service and the politicians - who were also required to attend ideological training. In particular, it gave the civil servant a political forum hitherto denied to him and reduced the remoteness of the civil servant from the society whose needs he sought to serve. Since the Zanzibar Declaration of 1991, however, this requirement has been dropped (*Daily News*, February, 1991).

be more to the charge of inefficiency than is apparent at first. The civil service appears to be a group of individuals whose initiative has been taken away by the policy actions of the party acting through the legislature. Hyden (1979) lucidly captures these features of the civil service in Tanzania as follows:

"In some cases, like the decision to introduce universal primary education (UPE) by 1977, the civil servants have really responded positively and constructively. They have worked out feasible ways of implementation which do not hamper the execution of other already existing programs in the government. In other cases, however, the civil servants have really been thrown out of gear. A good example is the 1975 Operation Maduka. The then prime minister, Rashidi Kawawa, directed that all private retail shops should as soon as possible be replaced by cooperative ventures. The political heads in Tanzania's 20 regions responded very differently. Some decided to order the closure of private shops as a matter of urgency. Others suggested a phasing-out plan. Still others waited to see what was going to happen. In this, like so many other cases, bureaucrats have not been able to act in a concerted manner - characteristic of a group of people concerned with defending their class interest. Sudden and bold policy initiatives that have been so typical of Tanzania since independence have forced the civil servants into a defensive posture. Because the politicians, and notably the president himself, have seized the initiatives, the discretion of the bureaucrats as a social class has been very limited" (p. 100)

While excluded from the top formal decision-making bodies which were the preserve of the politicians, bureaucrats learned to stall, circumvent, subvert and emasculate party decisions to suit their interests. As Mukandala (1991) writes, "[p]olicies which proved completely unacceptable (e.g. directives on the use of official vehicles) were simply ignored". Coupled with the Party imperative of forced austerity and the realisation that their council was unwanted or unappreciated, the constraints of their work atmosphere inevitably resulted in frustration and a search for alternate orientations and interests.

A major avenue was the development of local-level 'distributional coalitions' (Olson, 1982) and later informal sector activity. It would thus seem that while, like many countries in Africa, charges of corruption and inefficiency in the context of the administrative bureaucracy are not entirely baseless, this phenomenon ought perhaps to be placed in the light of the special circumstances of the Tanzanian

single-party system, namely, the 'constrained' work-atmosphere of the administrative bureaucracy and the increasing economic hardship they faced with a steeply decreasing standard of living, especially from the late 1970s.<sup>18</sup> The charge of corruption is explored in greater detail in a later sub-section.

#### 6.2.4. The Institutional Context of Bureaucratic Functioning

This institutional setup has three main implications for bureaucratic functioning which are useful in developing a background to the subsequent analysis. The first is with regard to policy-making. As Cranenberg (1990) observes, with the 1977 Constitution "[p]olicy decisions were now the exclusive domain of the party acting through the NEC" (p. 81). This effectively reduced Parliament, or rather the National Assembly, to "a committee of the party charged with supervision of the Government in the *implementation of party policies*" (Cranenberg, 1990, p. 81, emphasis added) and legislators in Tanzania are said to have been "increasingly relegated to a role of ratifying government-proposed legislation in the National Assembly", with any bargaining that did occur over policy "[taking] place behind closed doors in the meetings of the National Executive Committee (NEC) of the party" (Barkan, 1979b, pp. 75 and 81).<sup>19</sup>

Legislators' perception of their role has consequently changed. Barkan (1979b) writes "[f]or them, the essence of the legislative process is found not in legislating as a member of the National Assembly, but in lobbying on their constituents' behalf vis-a-vis government ministers, senior bureaucrats in charge of ministries that run programs in the rural areas (that is, public works, health, education, agriculture), and the senior members of the provincial and regional administrations responsible for the area in which their constituencies are located" (p.

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<sup>18</sup> See Chapter 5, section 5.2.1., for details.

<sup>19</sup> Barkan (1979) writes that while "MPs may, and do deliberate legislation proposed by the government [read NEC] ... once a decision is made - invariably in support of the decision - they are expected to publicly support the decision whatever their personal conviction" (p. 75).



The second implication is similar. The aim of the single-party state to subordinate "all other institutions - especially the administrative agencies of the Tanzanian government - to the authority of the party" (Barkan, 1979a, p. 10) has resulted in the attitude that "showing commitment to the policies as pronounced by their political leaders is more important than offering a rational critique of these policies" (Hyden, 1979, p. 102)

Thirdly, the overlapping of party and administrative hierarchies has created a complex web of responsibility such that "[t]he formal separation of responsibilities specified in the constitution suggests a sharper distinction between party and government than has been maintained in practice" (Samoff, 1987, p. 156).<sup>21</sup> The leadership of regions and districts is shared between three different individuals with different sources of authority: "a chairman elected by the local party organization (and thus a local resident), a party secretary appointed by the president (rarely a local resident), and a party executive secretary appointed by party headquarters (also rarely a local resident)" (Samoff, 1987, p. 156).<sup>22</sup> Members of Parliament are *ex officio* members of the National Conference and some MPs also belong to the National Executive Committee. Civil Servants, who as Regional Commissioners are the administrative heads of regions, are similarly *ex officio* members of the National Conference and *ex officio* Members of Parliament as well (Cranenberg, 1990, p. 73). Like administrative bureaucrats, MPs were also in charge of parastatal organisations until 1985 (Van Donge and Liviga, 1990, p. 16). Further, there is an overlap of

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<sup>20</sup> This is backed up by the findings of an empirical study of the 1985 elections, which concluded that "the electorate simply did not reward critical MPs", i.e., those MPs who had "made a name in challenging the government [and its policies]" (Van Donge and Liviga, 1990, p. 4).

<sup>21</sup> Samoff (1987) further suggests that these overlapping roles "reflected the limited pool of skilled personnel, the party's effort to create a hybrid of the diffuse role responsibilities of earlier African history and the functional specificity of modern party systems and the party's concern that its authority not be challenged by government and administration" (p. 156).

<sup>22</sup> Samoff goes on to assess the pros and cons of an institutional arrangement where "two organisational networks had overlapping responsibilities", noting among the former the availability of "alternative paths to the policy-making process" - wherein local citizens with a grievance could appeal to their local MP *and* their Party chair *and* their Regional Commissioner, and among the latter, the problem in situations where one and the same person held two positions, one administrative and the other political, that "citizens dissatisfied with the one could hardly turn to the other" (p. 157).

roles at national, regional and district levels where Chairpersons and Secretaries hold portfolios similar to those in the government hierarchy.<sup>23</sup> This makes it difficult to apportion blame for inadequate performance, although the tendency has been for the party bureaucracy to blame the civil servants (Okumu, 1979; Hyden, 1979).

These three implications of the special institutional features of the Tanzanian bureaucracy, administrative and party, ought to be borne in mind while examining their responses to the economic crisis and the subsequent liberalisation that took place after the late 1970s. And it is also useful when examining the charges of corruption that have been made so often. This is the focus of the next section.

#### 6.2.5. Corruption Within the Bureaucracy

Bureaucratic corruption in Tanzania appears to be closely linked with the economic circumstances of the political and administrative bureaucracy, which in turn have been determined largely by two factors: first, the strict party guidelines on private accumulation, and second, the deterioration in the standard of living following the economic crisis of the late 1970s.<sup>24</sup>

As far as the first factor is concerned, the leadership code since 1967 had forbidden all party and administrative functionaries to draw income from private sources, including from private enterprise or from renting own property. By means of this self-restraint the state hoped to preserve the integrity of their members in their official capacity from being affected by private economic interests, which would have endangered the legitimacy of its power in the long run (Shivji, 1975). And on the positive side, it is true that the discrepancy between the highest and the

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<sup>23</sup> There are Party Secretaries under the (national) Central Committee for various departments including Education, Propaganda, Economic Affairs and Planning, Organisation, Defence and Security, Foreign Relations and Discipline and Control" (Cranenberg, 1990, pp. 119-120). Similarly, at regional and district levels, there are officials holding similar portfolios (ibid).

<sup>24</sup> It must nonetheless be said unlike other African countries, the party's leadership code (which applied equally to the civil servants), prevented the more glaring forms of corruption and nepotism, as were conflicts of interest with private economic activities. In this connection one must also note that the African context of what is termed 'nepotism' is perhaps more the tradition of gift-giving, hospitality and protection of kin - which might appear in a modern setting to be corruption.

lowest net income, which at the end of colonial era was 50:1,<sup>25</sup> reduced to a mere 6:1 (through *inter alia* a strongly progressive taxation scheme).<sup>26</sup> But even privileges linked with public posts, such as an official apartment, car and office, compensated only partially for this austerity and the accumulative instinct and economic necessity led even top functionaries to evade these restrictions.

Concerning the second factor, World Bank data shows that while the purchasing power of urban workers on minimum wages suffered a loss of only around 20 percent from the late 1960s to the early 1980s, the real income of the middle and higher level state employees sank by more than half and was reduced to little more than the real income of the rural population (Leonard, 1979).<sup>27</sup> Squeezed between modestly increasing income (the result of belated attempts to restore purchasing power) and a spiralling inflation, all salaried employees, civil servants and party bureaucrats have had to rely on additional income. This additional income has come either from legal informal sector activity or from illegal Second Economy activity, including the diversion of state resources for private gain.<sup>28</sup> Since the former has been dealt with in the previous chapter, only the illegal aspects of the Second Economy activity carried out by the bureaucracy are examined here.

Official corruption in Tanzania can perhaps be roughly divided into two phases, divided across the late 1970s when the economic crisis set in.<sup>29</sup> Although qualitatively there is little difference between the two periods, one major distinction between the two periods is the increasing opportunities for the 'privatisation' of public funds that liberalisation provided. These new avenues of private profit

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<sup>25</sup> Till 1963-64 the ratio was 90:1, according to Abernathy (1984).

<sup>26</sup> Leonard (1979), p. 155.

<sup>27</sup> See also chapter 5, especially Table 5.2.3 in section 5.2.1.

<sup>28</sup> See chapter 5, section 5.2.3.

<sup>29</sup> While corruption, nepotism and embezzlement had been common in the state sector as a whole from the late 1960s, the diversion of public funds had been on a relatively low level in individual cases. Yet, it was only after 1977 when Sokoine began to deal more rigorously with corrupt politicians and civil servants that even the upper ranks of the administration and the political elite began to feel menaced for the first time. Sokoine's death in a road accident proved to be their salvation as his successors were less energetic in continuing his campaigns against what was then called 'economic sabotage' (Maliyamkono and Bagachwa, 1990).

brought harsh criticism during the investigations prior to the detailing of the IMF-sponsored SAP. But the charge that the bureaucracy was lining its own pockets is thus not new but merely set in a new context.<sup>30</sup>

A useful distinction in this context is between the activities of the high and low arches within the state bureaucracy. Low level functionaries have learnt to privatise from their superiors but their privatising projects are constrained by their limited leeway in the organization, the limited amount of resources that go through their positions, the greater likelihood of discovery and punishment by their superiors,<sup>31</sup> as well as the possibility of their facing prosecution and conviction given their lack of "contacts" and resources to buy their way out of trouble. Corruption in the low arches has mainly been dependent on the 'serial' character of bureaucratic procedures. Almost all bureaucratic action has to be taken in a sequential way, with current action by lower level functionaries determining whether or not a simple administrative procedure - such as routing a file through a government office - is allowed to continue on its sequence. According to Effange and Balogun (1989) for example, "... 'lost' and otherwise 'untraceable' files have been known to surface after the client has taken 'appropriate' steps" (p. 67).

Government corruption after the onset of the crisis included some more specific activities (Kahama, Maliyamkono and Wells, 1986). In the building industry, for instance, the scarcity of building materials and unrealistic prices pushed up rents and enabled landlords (the so-called *Vigogo* or *Wazito*) - who are often influential government officials - to ask for rent in advance and often in foreign

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<sup>30</sup> Outright old fashioned corruption, defined as "the use of public resources for private gain....which takes place in a public organization when an official or civil servant in defiance of prescribed norms, breaks the rules to advance his personal interest" (Gould, 1983), has a long history in even independent Tanzania. This has included pay offs, bribery, extortion, false declarations in documents, the stealing, leaking, selling and hiding of information and official records, patronage, embezzlement, impersonation, use of official cars and offices in smuggling (gold), poaching, the purchase of faulty or non-existent goods, the fraudulent use of official stationary, payment for office visits and for letters of recommendations, the misuse of official housing and the issue of phoney travel documents. Such 'privatization' of public funds has also included the padding of salary lists and the wholesale conversion of public resources through legalistic measures supposedly aimed at fostering efficiency - such as selling of public cars to bureaucrats, and excessive conferencing so as to travel abroad and acquire foreign goods (Maliyamkono and Bagachwa, 1990).

<sup>31</sup> As is obvious, the higher up one is in the organisation, the fewer the number of superiors is likely to be.

currency, confident in the knowledge that their political influence would keep them beyond the reach of the (then) strict foreign currency laws in the country. Other abuses of official power on the rise during this period included the siphoning off of government stocks of material and grain on to the black market against pay-offs, usually in foreign currency. Another area was real estate transactions with a rising level of unauthorised and speculative buying, selling of (government) real estate and the 'double allocation' of surveyed building plots in urban areas.

The criticism regarding the efficiency and integrity of the civil service made by international organisations like the IMF and the World Bank is also echoed by several administrative bureaucrats themselves who feel that a large, underemployed and corrupt bureaucracy does stand in the way of economic progress and who therefore support the rationalisation implicit in the SAP. At the same time, however, there are bureaucrats who stand to lose, and perhaps substantially, by the full implementation of the policies of the SAP - either by their retrenchment, or simply by the curtailment of prerogatives, privileges and opportunities for private gain that were present earlier - and it is the response of this group that could be politically significant.

#### 6.2.6. Crisis and Liberalisation : The Impact on the Bureaucracy

During the worsening economic situation of the late 1970s and early 1980s, administrative bureaucrats in the public service and parastatal organisations increasingly challenged the party bureaucracy about its credentials and capacity to run the economy. Their criticism that several government policies, especially with regard to the manner in which parastatal organisations were being run, were responsible for at least part of the economic crisis was echoed by the press and the intelligentsia.<sup>32</sup> There was also pressure for action against corruption and inefficiency from within the party leadership, notably from Nyerere himself.<sup>33</sup>

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<sup>32</sup> These are discussed in detail in a subsequent chapter.

<sup>33</sup> This was Nyerere's preferred method of dealing with increasing problems of inefficiency and corruption within his party ranks. See, for instance, Nyerere (1977).

Besides, several international observers were pressing for economic reform as a pre-condition for financial assistance during the dismal socio-economic situation of the late 1970s and early 1980s.<sup>34</sup>

The single-party state reacted in three ways to this pressure. Firstly, it looked increasingly towards its professional civil servants for policy advice. Secondly, it introduced wide ranging institutional reform within its hierarchical decision-making structure to strengthen party organisation and tighten the monitoring of its cadres. And thirdly, it toned down its socialist rhetoric, especially in party pronouncements. All three were implemented gradually during the 1980s.

The first of these resulted in the civil servants becoming progressively more closely involved in the policy-making that resulted in the formulation of the National Economic Survival Programme of 1981 (NESP) and the indigenous Structural Adjustment Programme (sap) of 1982, in collaboration with the international Tanzanian Advisory Group (TAG). Even the IMF-sponsored SAP (whose official programmes include the Economic Recovery Programmes of 1986 and 1989 and the most recent Priority Social Action Programme (PSAP)), whose range of policy pronouncements extended from agricultural pricing and import policy to foreign exchange policy and monetary policy, has been the product of a three-player collaboration between the IMF-World Bank consultants, the political functionaries of the state and the administrative bureaucrats. This mode of policy-making, consisting of policy-consultancy reports, enquiry commissions, study groups, investigative teams and negotiations, have entailed a more prominent bureaucratic role and the party has consequently had to rely increasingly on the technocratic professional input of administrative bureaucrats in the Civil Service.<sup>35</sup>

The re-structuring of the party organisation and the toning down its socialist rhetoric are related, and are the responses of the party towards the economic crisis. It was only with the realisation that some form of economic liberalisation was

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<sup>34</sup> See chapter 3, section 3.4.3.

<sup>35</sup> For example the decision to re-establish cooperative unions and local authorities was made in the early 1980s following the findings of a Commission set up to study the issue. Bureaucrats were well-represented on the Commission, and the findings were heeded. Salaries and wage policy in the late 1980s have been guided by the findings of a Commission which was heavily bureaucratic in composition (URT, 1987).

necessary that efforts began to be channelled towards the dismantling of the command economy with its administered prices, subsidies and quotas. The toning down of the socialist rhetoric appears to have its roots in these moves towards economic liberalisation. As seen earlier (chapter 2), the move away from centralised decision-making for the economy and society was slow and heavily contested in certain areas and largely divorced from official party pronouncements - which still espoused the old party line of African socialism. By the late 1980s, with Nyerere stepping down as President and also with the adoption of the IMF-sponsored SAP, even the veneer was wearing thin. While the 1985 Election Manifesto used the phrase 'socialism and self-reliance' thirteen times, the CCM's 1990 Manifesto mentioned it only once. Terms like *ujamaa*, anti-capitalism, leadership code, exploitation and equality were rarely mentioned in the Manifesto or in actual campaigns. The Manifesto concentrated on 'things that annoy citizens' i.e., straightforward issues such as corruption, unfair treatment of citizens by state, shortages, etc. Also, in the 1990 elections, the CCM emphasised renewal regarding party ideology and practice alongside soft peddling on *ujamaa* socialism as symbolised in the Arusha Declaration of 1967.<sup>36</sup> And it is significant in this context that the President of Tanzania and Chairman of the CCM Mwinyi stated that if it were possible the word 'nationalism' should be erased from Tanzanian political vocabulary.

The breakup of socialist Eastern Europe and of the Soviet Union in 1990 provided the catalyst for major changes in party ideology as evidenced, for instance, in the Zanzibar Declaration of 1991. This party document overturned the earlier Arusha Declaration of 1967, which had been the benchmark statement of party ideology. But by that time, to many, the official statement was only endorsing the reality on the ground.

With the breakup of the command economy, the relaxation of the party's austerity measures and the removal of the pre-requisite of ideological training for party membership, it would appear that economic liberalisation has been

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<sup>36</sup> Accordingly, renowned *ujamaa* ideologues were passed over for nominations to top positions within the party and the government. There was, in addition, an almost total absence of the use of the term *ujamaa*.

accompanied by an erosion of socialist ideology. But what the bureaucracy itself feels is the appropriate direction for the future is what the rest of this chapter attempts to detail.

### 6.3. Sample Description

The sample of 87 bureaucrats surveyed between April 1991 to August 1991 is discussed in terms of their area of operation, their position within their respective hierarchies, educational levels, sex and age.

Table 6.3.1 : Regional Distribution of Sample

	Position	Dar-es-Salaam	Dodoma	Arusha	Row Totals
Admn	Regional level	2 11.11 (16.67)	8 44.44 (100.00)	8 44.44 (100.00)	18 100.00
	National level	10 100.00 (83.33)	-	-	10 100.00
	Area Sub-total	12 42.85 (100.00)	8 28.57 (100.00)	8 28.57 (100.00)	28 100.00 (32.18)
Party	Branch level	8 40.00 (27.58)	6 30.00 (37.50)	6 30.00 (42.85)	20 100.00
	Regional level	20 52.63 (68.96)	10 26.32 (62.50)	8 21.05 (57.15)	38 100.00
	National level	1 100.00 (3.45)	-	-	1 100.00
	Area Sub total	29 49.15 (100.00)	16 27.12 (100.00)	14 23.73 (100.00)	59 100.00 (67.82)
Area Totals		41 (47.13)	24 (7.58)	22 (5.29)	87 (100.00)

*Notes* 1. 'Admn' refers to administrative bureaucracy while 'Party' refers to party bureaucracy.  
2. Figures in italics refer to percentages to row totals; figures in parenthesis refer to percentages to the area sub-totals; while figures in italics and parenthesis refer to percentages to the total sample.



As Table 6.3.1 shows, there are three main features of the sample. Firstly, party bureaucrats outnumber the administrative bureaucrats in the total sample as well as in the regional samples. Thus, 59 out of the 87 (or nearly two-thirds of the) respondents are party bureaucrats while only 28 are from the government administration.<sup>37</sup> In Dar-es-Salaam, only 12 out of the 41 bureaucrats sampled (or roughly 30 percent) were administrative bureaucrats, while the remaining 70 percent belonged to the party bureaucracy, while in Dodoma and Arusha this ratio was around 1:3 in favour of the party bureaucracy. This is not necessarily indicative of the larger presence of party bureaucrats in these urban areas. It is more because the party bureaucracy was more accessible and willing to discuss issues and also because party offices tended to be located in the same complex while government offices (and Ministries) were often dispersed and rather difficult to locate.

Secondly, as the percentages of area totals to the sample total indicate, there are more bureaucrats in the sample from Dar-es-Salaam (41 out of 87 or 47.13 percent) than from either Dodoma (27 percent) or Arusha (25 percent). This is also true of the sub-totals of administrative and party bureaucrats sampled; while around 40 percent of civil servants sampled were from Dar-es-Salaam, the remaining 60 percent or so were divided equally between Arusha and Dodoma. The only contrary trend to this is in the case of regional-level civil servants, who were much larger in proportion (44 percent) in Arusha and Dodoma than in Dar-es-Salaam (11 percent). All the ten national level civil servants and the only national level party bureaucrat in the sample were from Dar-es-Salaam. Even at the branch level, more party officials were sampled from Dar-es-Salaam than from either Dodoma or Arusha. This trend is largely due to the predominance of Ministries as well as administrative and party offices in the *de facto* capital of the country.<sup>38</sup>

Thirdly, more bureaucrats from the regional level in the hierarchy are represented in the sample than from other levels, in general. The only exception to

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<sup>37</sup> Following the rather extensive discussion in the previous section of the party and administrative hierarchies in the Tanzanian single-party state, the terms 'government administration', 'civil service' and 'civil administration' are also used to denote the administrative bureaucracy. Also, as before, Members of Parliament are subsumed under the head of the party bureaucracy.

<sup>38</sup> Although Dodoma is the official capital of the country, many government and party offices have not yet moved from the colonial capital of Dar-es-Salaam.

this general trend is in the case of the administrative bureaucracy sampled in Dar-es-Salaam, where more than 80 percent of the bureaucrats were from the national level. Apart from the party bureaucracy in Arusha and Dodoma, where the division was closer to 40:60 in favour of the regional level, the regional level officials outnumber the rest. This is largely due to two reasons, first, the better accessibility to this level than higher levels, and secondly, the greater visibility of this level of organisation in urban areas. Ministry-level officials of the civil service and the upper echelons of the party bureaucracy were much more difficult to meet and interview. Also, government or party offices are better known than branch-level organisations, which tended to be institution-specific in urban areas. Thus, workers and managers in an industrial plant or a parastatal organisation would constitute a branch of the party while workers alone might be part of a union which, in turn, would be an affiliate of the local branch office. In fact, the branch-level party bureaucracy in the sample are actually trade-union leaders.

This trend of regional concentration within the sample is brought out more clearly in Table 6.3.2 below.

**Table 6.3.2 : Hierarchical Distribution of Sample**

Category	National level	Regional Level	Branch Level	Row Totals
Administrative bureaucracy	10 35.71 % (90.09)	18 64.29 % (32.14)	-	28 100.00 (32.18)
Party bureaucracy	1 1.69 % (8.91)	38 64.41 % (67.86)	20 33.89 % (100.00)	59 100.00 (61.82)
Column Totals	11 12.64 % (100.00)	56 64.37 % (100.00)	20 22.98 % (100.00)	87 100.00 (100.00)

*Notes* 1. Figures in parenthesis refer to percentages to column totals.  
2. Figures in italics refer to percentages to row totals.

As a whole, 56 out of the 87 bureaucrats (or nearly 65 percent) are from regional offices, while 11 (or 12.64 percent) are from the national-level organisation and 20 (or 22.98 percent) are from branch level offices. Of the 11 national level

bureaucrats in the sample, ten are from the civil service and the other, a Member of Parliament, is a party bureaucrat. Of the 56 regional-level bureaucrats, 38 (or around two-thirds of the sample) are from the party bureaucracy and 18 (roughly 33 percent) from the administrative bureaucracy. Local level officials are basically from the party bureaucracy and are, as mentioned earlier, trade union officials in party offices or state-run enterprises. Within the party bureaucrats sampled, apart from one (Member of Parliament) from the national level, nearly two-thirds were from the region and only one third from the lower level. While there were no administrative bureaucrats below the regional level in the sample, the nearly two-thirds of the rest of the sample are regional-level bureaucrats and only a third are national-level functionaries.

Given that within the Tanzanian bureaucracy educational levels are positively correlated to salary and also that a higher proportion of government and party bureaucrats are well-educated in the 1980s (Van Donge and Liviga, 1990, p. 8), the educational achievements of this sample, presented in Table 6.3.3 below, are worth examining in detail.

Table 6.3.3 : The Educational Profile of the Sample

	Primary education	Secondary education	Post- secondary training	Graduates	Post- graduates	Totals
Admn	-	-	4 14.3 (18.18)	17 60.7 (50.00)	7 25.0 (70.00)	28 100.0
Party (high)	2 5.1 (25.00)	7 18.0 (53.85)	11 28.2 (50.00)	16 41.0 (47.05)	3 7.7 (30.00)	39 100.0
Party (low)	6 30.0 (75.00)	6 30.0 (46.15)	7 35.0 (31.82)	1 5.0 (2.94)	-	20 100.0
Totals	8 9.2 (100.00)	13 15.0 (100.00)	22 25.3 (100.00)	34 39.1 (100.00)	10 11.5 (100.00)	87 100.0 (100.00)

- Notes*
1. 'Admn' refers to national and regional level administrative bureaucrats.
  2. 'Party (high)' refers to party bureaucrats at the national and regional levels.
  3. 'Party (low)' refers to party bureaucrats at the branch level.
  4. Figures in brackets represent percentages to the column totals.
  5. Figures in italics represent percentages to the row totals.

As the percentages of the column totals of the Table to the sample total indicate, those with primary and secondary education account for only around 25 percent of the sample as a whole, while those with graduate and post-graduate level education account for more than 50 percent. The Table also shows that educated bureaucrats are concentrated basically in the upper levels of the party bureaucracy and in the administrative bureaucracy. Within the civil service, graduates and post-graduates account for more than 80 percent of the sample while those with less than secondary school education are not represented at all. This trend of the well-educated being better represented in the administrative bureaucracy is also apparent while going across the sample. Most (70 percent) of the post-graduates and fifty percent of the graduates in the sample were from the civil service, while only one of the 34 graduates was in the branch level party organisation. Again, 75 percent of those educated only till the primary level were in the party's branch-level bureaucracy as were more than 50 percent of the respondents educated only up to the secondary-level. Thus, there seems to be a sharp divide across secondary-level education, with those with higher qualifications going on to higher party posts. The sample thus appears to be representative of the bureaucracy as a whole.

Significantly, there were no women in the administrative bureaucracy and the only women in the sample were in the party bureaucracy (see Table 6.3.4 below).

**Table 6.3.4 : Proportion of Women within the Party Bureaucracy**

Position	Dar-es-Salaam	Dodoma	Arusha	Total
Regional level	6 (75.00) 30.00%	2 (100.00) 20.00%	1 (50.00) 12.5%	9 (23.07%)
Branch level	2 (25.00) 25.00%	-	1 (50.00) 16.67%	3 (15.00%)
Column Totals	8 (100.00)	2 (100.00)	2 (100.00)	12 (20.33%)

- Notes :*
1. Figures in parenthesis are percentages to the column totals.
  2. Figures in italics are percentages to the relevant sub-sample totals given in Table 6.3.1.
  3. Figures in italics and parenthesis under the row totals refer to the proportion of women in the relevant category, i.e., regional party bureaucracy, the branch party bureaucracy and the total sample of party bureaucracy.

There are only 9 women within the party bureaucracy at the regional level, which gives women a representation of only 23 percent within that stratum of the sample. Similarly, the 3 women sampled at the branch-level (i.e., trade union officials), represent only 15 percent of the total sample of branch-level party bureaucrats. Together, the 12 women in the sample represent only 13.87 percent of the total of respondents among the bureaucracy.

The distribution of these respondents between the three urban centres shows the same pattern as in the case of the whole sample, i.e., a distinct predominance of Dar-es-Salaam over the urban areas of Dodoma and Arusha; a total of 6 out of the 9 women interviewed at the regional level and 2 out of the 3 women interviewed at the branch level were from Dar-es-Salaam. Placing them in the context of the relevant sub-samples somewhat improves the general picture of under-representation. At the regional level, of the 29 party bureaucrats in the area sample of Dar-es-Salaam, women represented nearly 30 percent, while the proportion of women in the area samples of Dodoma and Arusha were 20 and 12.5 respectively. Among the branch level bureaucracy, women comprised nearly a quarter of the respondents from Dar-es-Salaam and an eighth of the sample from Arusha. There were no women respondents in this stratum from Dodoma. Within the areas themselves, more women were in regional- rather than in branch-level party organisations in Dar-es-Salaam and Dodoma, while in Arusha the proportion was the same.

The final set of sample characteristics is the distribution of the sample according to age-groups. In Table 6.3.5. below, three age-groups are used, 25 to 35, from 36 to 45 and 45 onwards.

Table 6.3.5 : Distribution of Respondents According to Age

	Dar-es-Salaam			Dodoma			Arusha			Row Sub-totals		
	[Total : 41]			[Total : 24]			[Total : 22]					
	25 to 35	36 to 45	> 45	25 to 35	36 to 45	> 45	25 to 35	36 to 45	> 45	25 to 35	36 to 45	> 45
Admn	-	7	5	1	6	1	-	8	-	1 (3.5)	21 (75.0)	6 (21.4)
Party	6	18	5	1	11	4	4	8	2	11 (18.6)	37 (62.7)	11 (18.6)
Sub-Totals	6 <i>14.6</i>	25 <i>61</i>	10 <i>24.4</i>	2 <i>8.3</i>	17 <i>70.8</i>	5 <i>20.8</i>	4 <i>18.2</i>	16 <i>72.3</i>	2 <i>9.1</i>	12 <i>13.8</i>	58 <i>66.7</i>	7 <i>19.5</i>

- Notes*
1. Figures in italics below the first three sets of column totals represent percentages to the total given within square parentheses at the head of the column.
  2. Figures in parentheses below the rows in the last column entitled 'Row Sub-totals', represent percentages to the total of each row, while the figures in italics in the same column represent percentages of column totals to the sample total of 87.

It is useful to note that the first category corresponds to those born between 1956 and 1966 - and hence to those who were between 1 and 11 years of age at the time of the Arusha Declaration, while the second category corresponds, similarly, to those who were teenagers at this time (i.e., between 12 and 21), while the last category refers to those born before 1945 - and hence who were in their teens at the time of Tanzania's political independence in 1961 and in their early twenties at the time of the Arusha Declaration. This last category might, thus, contain those who were among the first to be sent to the Ideological College at Kivukoni as well as those who were taken into the fledgling civil administration run entirely by African personnel.<sup>39</sup>

<sup>39</sup> Jackson and Rosberg (1986) note that following Nyerere's demand in 1963 that the University produced 'social engineers' to fill the place of the expatriates in the Tanzanian civil service, "professors and lecturers, many of whom very few had direct, practical experience in government or business ... responded to the demand for government personnel by graduating increasing numbers of Africans who found their way into the government bureaucracy, at first at very senior levels" (p. 211). They go on to say, that "[t]hese same graduates, or later ones, were placed in command when the Tanzanian state took direct control of the national economy in the late 1960s and early 1970s" (id.).

Interestingly, the distribution of respondents according to their age is roughly 'normal' in the sense that there are fewer respondents in the two extreme age-groups. For the sample as a whole, nearly two-thirds of the respondents are from the middle age-group of 36-45. This proportion is even higher for the administrative bureaucracy and slightly less for the party bureaucracy. Exactly the same proportion of respondents lie in the two outer age-groups in the case of the party bureaucracy while the proportion of older respondents is higher among the administrative bureaucrats. Consequently, for the sample as a whole, the proportion of respondents in the above-45 age group is larger than in the 25-35 age group. This pattern is discernable even within the three areas of Dar-es-Salaam, Arusha and Dodoma, the only distinguishing feature herein being that the proportion of the sample in the older age-group is smaller for Arusha but larger for the other two areas. The only implication this might have for the sample responses is a possible bias towards the party ideology and the official party line although there are other factors (such as position within the party hierarchy and membership of the civil service) that could affect any such bias. Indeed, even youthful zeal in proclaiming the party line is a factor that cannot be easily dismissed as discussed below.

#### **6.4. Responses to Structural Adjustment**

The sample responses can be ordered around three major issues: the direct impact of the various measures of SAP on the personal economic situation of the respondents; the perceived role of the bureaucracy in implementing liberalisation policies under the SAP; and, the attitudes towards the CCM government and the change to a multi-party political system. This section begins with a description of the personal economic situation of the respondents and discusses their responses to the first set of issues before detailing the informal sector activities undertaken by family members of the bureaucracy from the time of the economic crisis. The other two issues are taken up in the next section.

#### 6.4.1. Economic Background of the Sample

Since the responses to individual measures of the SAP are likely to be influenced by the economic circumstances of the respondents themselves, it is perhaps appropriate to begin with the latter. Two aspects of the economic circumstances of the respondents, their income levels and the number of dependents they have are outlined, the former being detailed in Table 6.4.1 below.

**Table 6.4.1 : Profile of Respondents According to Income Levels**

Category	Monthly Income Brackets (Tsh)			
	4,000 - 7,000	7,000 - 9,000	9,000 - 12,000	12,000 - 15,000
Administrative Bureaucracy (National & Regional)	-	4 (12.90%)	20 (60.61%)	4 (80.00%)
Party Bureaucracy (National & Regional)	9 (50.00%)	18 (58.06%)	11 (33.33%)	1 (20.00%)
Party Bureaucracy (Branch)	9 (50.00%)	9 (24.03%)	2 (6.06%)	-
<b>Totals</b>	<b>18</b> (100.00%)	<b>31</b> (100.00%)	<b>33</b> (100.00%)	<b>5</b> (100.00%)

This Table brings out three main features of the distribution of income across the respondents in the sample. First, given that the minimum urban wage during this period was Tsh 3,000, the table shows that 49 respondents out of 87 (or more than 50 percent) had an income below 3 times the urban minimum. Of the rest, 33 (or 38 percent) had incomes between 3 and 4 times the minimum wage and only 5 (or 5.7 percent) had an income ranging from 4 to 5 times the prevailing urban minimum wage.

It is interesting to compare this data with that on Basic Necessary Income discussed in Chapter 5 (Table 5.4.3). That Table presented the estimates of monthly income provided by the urban lower classes to cover the basic expenses for a family of five in Dar-es-Salaam. Essentially, while little more than a quarter (28 percent)



of the respondents felt that they required between twice and three times the minimum urban wage, nearly twice that proportion (66 percent) felt that they required between 9,000 and 11,000 per month (i.e., roughly between three and four times the minimum urban wage). Another 28 percent felt that they required roughly between four and five times the urban minimum wage.<sup>40</sup>

Thus, it would appear that a monthly income of 7,000 to 11,000 would satisfy more than 90 percent of the respondents in that sample. Further, since roughly 80 percent of the sample had incomes ranging from 7,000 to 15,000, it would seem that this sample of respondents as a whole was bearing up rather well under the strain of the economic hardships.

But such a perspective might be misleading for at least three reasons. Firstly, the fact that the real standard of living has fallen for most for this stratum of urban Tanzanian society. As Table 4.2.3. in Chapter 4 shows, the real wages for the middle salary workers had decreased to just 16 percent of their 1969 value by 1984 and those of top salary workers to just 9 percent of the 1969 wage by 1985.<sup>41</sup> The table shows that the bureaucracy as a whole appears to have faced a long, steady and rather steep fall in its purchasing power and hence in its standard of living from the mid 1970s.

Secondly, the income requirements for top salaried posts might be different from the sample surveyed in Chapter 4, who were basically from the urban *lower* classes - and hence might have given different estimates of Basic Necessary Income had they been sampled. Given the fact that bureaucrats at least at the regional and national levels were better educated, performed tasks of greater responsibility and, perhaps more importantly, had been used to a better standard of living, it is quite likely that they perceived a severe fall in their economic welfare, especially in the 1980s.<sup>42</sup>

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<sup>40</sup> As mentioned in Chapter 5, these proportions are quite close to those in a similar study (Lugalla, 1988) conducted in the late 1980s.

<sup>41</sup> The data in the table are from *Parastatals in Tanzania : Towards a Reform Programme*, World Bank, Washington D. C., 1988, p. 5.

<sup>42</sup> In hindsight, it is clear that not collecting this data during interviews with the bureaucracy was a regrettable omission.

Thirdly, as Table 6.4.2. below shows, it is significant that most respondents have between three and five dependent children who, given the age profile of the bureaucracy (see Table 6.3.5), must have been born during the early and mid 1980s. This was a period following nearly a decade of steadily decreasing real wages and a more recent economic crisis that showed little signs of abating. Since a burgeoning population is not a policy problem in Tanzania and social norms are in favour of large families,<sup>43</sup> any restriction on the number of children is most likely to be economic.

**Table 6.4.2 : The Distribution of Dependent Children of Bureaucrats in the Sample**

Category	No children	Less than 3 children	Between 3 - 5 children	More than 5 children	Total
Administrative Bureaucracy (National and Regional level)	-	8	18	2	28
Party Bureaucracy (National and Regional level)	-	7	26	6	39
Party Bureaucracy (Branch level)	3	6	11	-	20
Sub-totals	3	21	55	8	87
<i>(percentage to total)</i>	<i>(3.45%)</i>	<i>(24.13%)</i>	<i>(63.22%)</i>	<i>(9.20%)</i>	<i>(100.00%)</i>

It is interesting to note, in this connection, that the majority of respondents (around 78 percent) had between 3 and 5 siblings, while only a quarter came from smaller families, as Table 6.4.3 below shows.

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<sup>43</sup> Nevertheless, there appears little to suggest that like several agricultural households in developing countries the extra children were seen more as additional hands to work than additional mouths to feed, and it seems more likely that this was a cultural imperative.

Table 6.4.3 : Distribution of Sample According to the Number of Siblings

Category	Less than 3 siblings	Between 3 - 5 siblings	Total
Administrative Bureaucracy (National & Regional level)	7	21	28
Party Bureaucracy (National & Regional level)	10	29	39
Party Bureaucracy (Branch level)	2	18	20
Sub total	19	68	87
<i>(percentage to total)</i>	<i>(21.84%)</i>	<i>(78.16%)</i>	<i>(100.00%)</i>

Thus, either the social imperative outweighed the economic squeeze or there were additional sources of income available to supplement official income - in contravention to party guidelines. And the following sub-section records that such informal sector activity was indeed common. To conclude, therefore, it would appear that while the official wages were significantly higher than the minimum urban wage, falling purchasing power was a serious problem for this stratum of urban Tanzanian society. But the relatively large families they maintained<sup>44</sup> especially during a period of economic hardship, points to an economic situation not reflected in official income figures. Thus, their sources of additional income are an important factor and are examined in the next sub-section.

#### 6.4.2. Economic Response to Hardship : From Crisis to SAP

The major informal sector activities undertaken by the family members of civil servants and party bureaucrats, the majority of which were begun during the 1980s, are detailed in Table 6.4.4. below. It must be noted that dependent family members of the bureaucrat's household might include brothers, sisters, brothers-in-

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<sup>44</sup> By and large, the wives and children were said to be in the villages. But, in this context, it must be said that five administrative bureaucrats, three party bureaucrats at the regional and national level and two at the branch level said that they had two wives, one in the city and the other in the village. Further, although they did not admit to it, it is quite likely at least in a few cases that there were other dependents, women and children, who lived off the bureaucrat's income.

law and sisters-in-law in addition to wives and children. Adult dependents are formally unemployed and hence would normally have lived off the income of the city-dwelling relative. The economic hardship forced them to be productive and contribute to the running of the household.

**Table 6.4.4. Informal Sector Activity by Family Members of Bureaucrats**

Type of Informal Sector Activity	Number of Family Members of Administrative Bureaucrats	Number of Family Members of Party Bureaucrats
Urban small-scale farming	8	32
Food retailing	1	11
Tailoring	2	8
Hair-braiding	4	7
Poultry-keeping	4	5
Dairying	3	5
Domestic labour	1	15
Transport and Vehicle Hire	4	5
Guides for Safari Companies	3	2
Interpreters	2	2
Snack bar vending	-	9
Totals	32	101

*Note* Bureaucrats cited more than one informal sector activity carried out by their families.

Also, not all bureaucrats said that their family members were in the informal sector. And those who said that their families were involved stated that they were not limited to one activity alone. This variation in the sample is captured in Table 6.4.5. below.

**Table 6.4.5 : Variations in Informal Sector Participation**

Category of Respondent	Number of Informal Sector Activities Undertaken			
	None	One	Two	Three
Administrative Bureaucrats	3	18	7	-
Party Bureaucrats	9	11	27	12
Totals	12	29	34	12

The Table shows almost a normal distribution of respondents arranged according to the number of informal sector activities undertaken. The majority had either one or two informal sector activities to supplement official incomes. The first interesting facet of these statistics is the low proportion (less than 15 percent) of bureaucrats who said that their family members did not participate in the informal sector. The second is the larger proportion of party bureaucrats who said that their families undertook two or more informal sector activities.

Again, it must be re-iterated that all the activities that the bureaucrats mentioned are in the legal side of the Second Economy. As mentioned earlier, there have been claims that government circles have been involved in large-scale Second Economy activity including the 'privatisation of public' funds. These activities are not represented in this analysis. Therefore, it might be safe to say that the extra income earned through informal sector activity is the minimum addition to official incomes. The true estimates could well be much higher.

#### 6.4.3. The Impact of SAP Measures

The specific measures of the Structural Adjustment Programme analysed are: (1) price decontrol for essential commodities; (2) the increased and easy availability of imported essential commodities; (3) the easier and greater availability of imported luxury goods; (4) the greater availability of second-hand clothing; (5) the creation of private property rights, especially in land; (6) the imposition of user fees for education; (7) the formation of new cooperative societies; and (8) the government control of salaries. The responses of the sample of bureaucrats are outlined in Tables 6.4.6., 6.4.7. and 6.4.8 and explained further below.

**Table 6.4.6 : Responses to SAP : Regional and National Administrative Bureaucracy**

SAP Measure	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Price decontrol	15 (53.57%)	13 (46.43%)	-	-
More imported essentials	25 (89.28%)	2 (7.14%)	1 (3.57%)	-
More imported luxuries	3 (10.71%)	6 (21.42%)	15 (53.57%)	3 (10.71%)
More second-hand clothes	5 (17.86%)	16 (57.14%)	3 (10.71%)	-
Private property rights	2 (7.14%)	3 (10.71%)	23 (82.14%)	-
User fees for education	27 (96.43%)	1 (3.57%)	-	-
New cooperative societies	26 (92.86%)	2 (7.14%)	-	-
Govt control of salaries	10 (35.71%)	16 (57.14%)	2 (7.14%)	-

*Note* Figures in parentheses are percentages to the total sub-sample of 28 respondents.

**Table 6.4.7 : Responses to SAP : Regional and National Party Bureaucracy**

SAP Measure	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Price decontrol	2 (5.13%)	4 (10.25%)	19 (48.72%)	14 (35.90%)
More imported essentials	29 (74.36%)	8 (20.51%)	2 (5.13%)	-
More imported luxuries	2 (5.13%)	4 (10.26%)	22 (56.41%)	11 (28.20%)
More second-hand clothes	12 (30.77%)	27 (69.23%)	-	-
Private property rights	7 (17.95%)	14 (35.90%)	11 (28.20%)	5 (12.82%)
User fees for education	1 (2.56%)	3 (7.69%)	15 (38.46%)	18 (46.15%)
New cooperative societies	3 (7.69%)	7 (17.95%)	16 (41.02%)	11 (28.20%)
Govt control of salaries	1 (2.56%)	7 (17.95%)	28 (71.80%)	1 (2.56%)

*Note* Figures in parentheses are percentages to the total sub-sample of 39 respondents.

Table 6.4.8 : Responses to SAP : Branch Party Bureaucracy

SAP Measure	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Price decontrol	-	-	14 (70.00%)	6 (30.00%)
More imported essentials	17 (85.00%)	3 (15.00%)	-	-
More imported luxuries	-	-	15 (75.00%)	5 (25.00%)
More second-hand clothes	17 (85.00%)	3 (15.00%)	-	-
Private property rights	-	1 (5.00%)	9 (45.00%)	10 (50.00%)
User fees for education	-	-	2 (10.00%)	18 (90.00%)
New cooperative societies	11 (55.00%)	8 (40.00%)	1 (5.00%)	-
Govt control of salaries	-	4 (20.00%)	12 (60.00%)	6 (30.00%)

*Note* Figures in parentheses are percentages to the total sub-sample of 20 respondents.

*Price Decontrol of Essential Commodities* : There is a sharp divide between the responses of the administrative bureaucracy - the majority of whom (53.57 percent) approved of the rationale for price decontrol and the rest of whom could bring themselves to tolerate - and the party bureaucracy. While only 5 percent of the latter strongly approved of this measure and around 10 percent found it tolerable, the majority of the regional and national level bureaucrats and all the branch level officials disapproved of this measure, with a third disapproving strongly. The rationale for the approval and tolerance appears to be a combination of higher education levels, permitting a better look at the options available to the government and the possibility of future improvements in general economic welfare, along with an economic status that was not unbearably threatened. In the case of the lower level party bureaucracy, the disapproval appears to be on account of the flip side of these reasons.

*Increased Availability of Imported Essential Commodities* : Perhaps for the obvious reason of severe shortages during the years of the economic crisis, there was approval for this measure from the majority of the respondents at all three levels - nearly 90 percent of the civil servants, nearly 75 percent of the higher level party bureaucrats and 85 percent of the lower-level party officials. It needs to be borne in

mind that the general shortage of foreign exchange in those years combined with the rationing system in place during the crisis years had led to a disappearance of even basic commodities like soap and toothpaste while a black market developed to cater for such a frustrated market. The open availability of items that were hitherto either too expensive or simply unavailable as a result of the economic liberalisation was thus welcomed. The mild disapproval expressed by a small minority was on two ideological counts. First, that this was 'unsocialistic' and had led to 'capitalist tendencies' among the citizenry: such a measure would only encourage the proliferation of the Second Economy. Second, because it went against the grain of the search for national self-reliance. But these, as mentioned, were a minority view - only one civil servant (out of 28) and two higher-level party officials (out of 39) viewed the measure from this perspective.

*Increased Availability of Imported Luxuries* : While there was some support for this measure, the norm was widespread disapproval although the majority of the disapproval was mild. More than half the administrative bureaucrats and higher-level party officials as well as 75 percent of the branch level party officials disapproved mildly, while between 10 and 30 percent in each category disapproved strongly. This disapproval appeared to be influenced by the same two factors mentioned earlier in the context of imported essential commodities, i.e., it was anti-socialist activity and against national self-reliance objectives. It is clear that while imports of any kind goes against this objective, and that retailers of imported commodities tended to stock both essential and luxury items, the ideological puritanism appears to be strictly contextual. The convenience of good quality and easily-available imported essential commodities weighed in their favour and the basic inessentiality and possible charge of ostentation that invariably accompanies the purchase and use of imported luxury commodities went against these items of consumption. Yet there are those who approve of the easy availability of even luxury commodities following SAP - around 10 percent of the civil servants and 5 percent of the party bureaucracy at the regional and national levels. However, more administrative bureaucrats (around 20 percent) and party officials at higher levels (around 10 percent) found it safer to 'tolerate' this measure.



*Increased Availability of Second-hand Clothes* : As mentioned in Chapter 5, *mitumbua* or second-hand clothes enjoy considerable popularity in Tanzania. This is partly because of the lack of domestic supplies that are of adequate quality and partly because of the pre-existing curbs on imports. The easier access to such clothing hence met with general approval. While the new supplies had domestic sources (now that there was a price on such items), a more likely source for the bulk of such items was the free clothing supplied as international aid to countries across the border suffering from droughts and other natural calamities. As is probably to be expected, the party officials at the lower levels were overwhelmingly approving (85 percent 'strongly approved') while this proportion was lower in the case of party bureaucrats higher up in the hierarchy (around 30 percent) and still lower in the case of civil servants (around 18 percent only). One branch level party official put the issue in perspective when he said "Were it not for *mitumbua*, most of us would be naked".

*Private Property Rights* This measure overturned the previous party ruling abolishing private property control and abrogating all property to the state (see chapter 1), for the ideological reasons that private property would permit the accumulation of assets in the hands of the wealthy and hence go against the socialist principles of equality. The return of private property rights was thus as likely to be welcomed by liberals as it was likely to be disliked by the orthodox. There was widespread disapproval for this measure from lower-level party officials (around 95 percent), half of them strongly disapproved. These proportions reduced when it came to party officials at the regional and national levels, with only 13 percent disapproving strongly and 28 percent disapproving mildly. Among the bureaucrats, a curiously high percentage (82 percent) disapproved. A small number (10 percent) of the civil servants and 36 percent of the higher-level party bureaucrats were prepared to tolerate it as was one branch level party official. There were 2 civil servants and 7 higher level party officials who were strongly in favour of the measure. The reasoning for the approval is probably that there is a positive correlation with the potential benefit that respondents could directly make from the measure. The higher the possible profit, the higher the support. And the former is

surely dependent on available financial resources, with the civil service and senior party bureaucracy being the ones most likely to have such resources. But in addition to the lack of financial means to exploit this measure, the other probable reason for the high level of disapproval is that the proper official stance for party members, both the ideologically-committed and the highly-visible senior members, was indeed disapproval.

*User Fees for Education* : This measure came in for sharp criticism, education having been one of Tanzania's strong points during its period of socialist development.<sup>45</sup> With the imposition of the user fees, there was an accentuation in the trend of school dropouts which had started with the economic crisis when hands were needed to work in the informal sector.<sup>46</sup> This measure brought out a sharp contrast in the perspective of the civil servants and the party officials. While the former were almost unanimous (all but one) in their strong approval for this rationalisation measure, around 85 percent of the higher-level party bureaucracy and *all* the lower-level bureaucracy disapproved of the measure, with 90 percent of the latter and around 45 percent of the former expressing strong disapproval. The strength of the disapproval would appear to reflect two factors: first, the ideological resistance to what is clearly seen as the state succumbing to 'capitalist' pressure from outside, and second, the frustration of the economically less well-off in the face of escalating costs of living. Most of the political functionaries were quite vocal on their dissatisfaction on this issue, maintaining that user fees in the social services, especially in the health and education sectors, questioned the very ethos of *ujamaa*. The Member of Parliament interviewed said "the government's decision to double school fees and make parents pay for their children's fees would widen their gap of the ratio of rural and urban pupils enrolled in secondary schools". The MP also felt

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<sup>45</sup> Under its programme for Universal Primary Education, literacy rates had increased impressively to take Tanzania to the top of Black Africa on this score by 1975 (Morrison, 1989). See section 7.2 in Chapter 7 for more details on the Tanzania's performance on the education front.

<sup>46</sup> World Bank data shows that from a high of 100 percent in 1979, the enrolment rate in primary schools dropped to 72 percent in 1985 and 66 percent in 1988 (World Bank, 1989). Further, a recent government document notes that "Tanzania is nearly at the bottom of the African league in secondary education enrolment rates [which was only 6 percent in 1987]" (URT, 1989, p. 6).

that the "government was not effectively using foreign aid for the education sector".<sup>47</sup>

On the other hand, the extent of extreme responses from a relatively well-educated group of respondents seems to indicate that they perceived a premium on education. Their approval, would seem to reflect the more balanced and far-sighted view that this measure would improve the economic situation in the long run and result in more committed students besides providing better infrastructural facilities beginning with textbooks, desks and notebooks. There was also an underlying feeling that this was probably a measure that ought to have been implemented earlier, since that would have enabled students to place an appropriate value on their education and not just be uncaring beneficiaries of government funding.

*New Cooperative Societies* : The introduction of the Co-operative Societies Act in 1991 (which was yet to be implemented by the time of the survey) finally did away with the rather draconian measures of hierarchical party control and compulsory membership that had been around since 1975.<sup>48</sup> But there were fears that since the cooperatives were no longer to be under party control, they could be subject to private manipulation without a check from higher authorities (Yeo, 1992). The sample was accordingly divided on this issue. Almost the entire sub-sample of administrative bureaucrats approved of this measure, 93 percent strongly as did 95 percent of the party officials at the branch level (55 percent strongly). But 5 percent of the latter sub-sample disapproved, a trend that was strongly reflected in the responses of the higher-level party bureaucracy where nearly 70 percent disapproved, nearly 30 percent strongly. Only a minority of 25 percent among the latter did not mind the measure while 8 percent strongly approved. This seems to reflect the division that Yeo (1992) mentioned, the fear of private manipulation working against the possible benefits of self-government.

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<sup>47</sup> The official stance of the Tanzanian government has been staunchly behind the new measure, stating that these user fees are "meagre" and that the year's advance notice would give parents "time to raise the money". Tanzania's Education Minister, Charles Kabeho, is alleged to have said in Parliament that "the new Tsh. 8,000 fees for boarders starting in January [1992] can be paid in two instalments, each the value of 8 hens" (*Daily News*, 17th July 1991).

<sup>48</sup> See chapter 5, section 5.4.1 for more details on this Act and its implications.

*Government Control of Salaries* : The responses of the sample were interestingly distributed on this issue with the civil bureaucracy by and large on middle ground and leaning towards approval and the party bureaucracy at all levels being largely disapproving although a minority was on middle ground. Only one regional and national level party official joined in the strong approval that a third of the administrative bureaucrats had expressed. However, nearly 75 percent of the party bureaucrats at the higher levels and 90 percent of the lower level party officials disapproved, a minority of them strongly. A small minority of the civil servants (10 percent) also expressed mild disapproval. There appear to be three reasons for this divide: firstly, an acknowledgement of the need to make short-term sacrifices for long-term gain; and secondly, a reflection of the fact that official incomes were, given the extent of informal sector activity, a smaller proportion of total income; and thirdly, an acceptance of the futility of expecting large increases in their official salaries.

*Overview of Responses* : Overall, there is more approval for the rationalisation measures of the Structural Adjustment Programme among the administrative bureaucracy at the national and regional levels than among the party bureaucracy. Within the party bureaucracy, again, there seemed to be more support for these measures within the regional and national level officials than among those at the branch level. The latter appeared to be largely influenced by two major impulses: the implications of the measure for their personal economic situation and for the party ideological position. Thus, there is strong approval for greater availability of imported essential commodities and of second-hand clothes but disapproval for price decontrol, for the increased availability of imported luxuries, for the creation of private property rights, for the imposition of user fees in education and for the shift of control over salaries from party to the government.

The administrative bureaucracy, on the other hand, approved strongly of the imposition of user fees, of government rather than party control over salaries, and of price decontrol. This reflects their belief that only a shift to a market economy would improve the future economic situation - and hence the necessity for short-term sacrifice to realise that long-term reality. Interestingly, there was not so much

approval for the increased availability of second-hand clothes, perhaps reflecting a more stable economic background for these officials, compared to the party officials at the lower levels of the hierarchy. Nevertheless, the disapproval of private property rights and of more imported luxuries appeared to be on account of ideological grounds as was the strong approval for cooperative societies. Thus there appears to be a certain selectivity in their ideological stance, with elements of rational economic decision-making modifying the party's doctrine of *ujamaa* socialism (most of the bureaucrats had been to the Kivukoni Ideological College). While they were not entirely disillusioned with the idea of African socialism, these civil servants seemed to feel that it was time to tighten up the economic situation alongside social policies.

The higher-level officials of the party bureaucracy appeared to reflect a similar combination of the responses from the other two sub-samples, with the concern with personal economic well-being combining with both the party's socialist ideology as well as the liberal atmosphere influencing economic decision-making. Thus, there is strong support from these higher-level officials (along with the lower-level party officials and the civil servants) for the import of essential commodities and for the greater availability of second-hand clothing and widespread disapproval for more imported luxury items. Yet, like the lower-level officials but *unlike* the civil servants, there is also a general disapproval of government control over salaries, of price decontrol and of the imposition of user fees in education. But there is a small minority that responded conversely - i.e., in the general line of the civil servants' response and against the responses of the lower level officials - in the case of each of these issues. And clearly unlike the lower level party officials *and* the civil servants, they disapproved of new cooperative societies (28 percent strongly).

Thus, overall, there appears to be several distinct impulses motivating these responses. Two clear but related divides are visible within the sample as a whole. The first is between those who follow the party ideology by and large but see the need to take on board rationalisation measures that they feel will help improve future economic welfare all round, and others who do not see the necessity to look beyond the official party doctrine. There is certainly optimism in both groups, but on different grounds. The second divide is between those who are able to accept the

adverse consequences of economic rationalisation for their short-term personal economic situation, and those who cannot afford these sacrifices. To be sure, the ability to bear the sacrifices depends in part on the perceived need to do so. Hence those who do not feel the need to move away from the party ideology of *ujamaa* and state control of the economy might not feel the need to make personal sacrifices to the cause of economic liberalisation. This apart, a major factor that influences the ability to make economic sacrifices in the short term is the extent of informal sector activity that, despite the party rulings on accumulation, these bureaucrats and their families are able to undertake. The greater the level of this activity, the more equanimity with which the short-term sacrifices can be viewed and undertaken if necessary. And as seen earlier, the possibilities here could be substantial.

The political responses of the bureaucrats, however, are as much conditioned by the impacts on their direct personal economic situation as they are on the wider impacts of SAP policies within the economy and society. This set of issues is analysed in the next section.

## **6.5. Political Responses of the Bureaucracy : CCM and Multiparty Politics**

### **6.5.1. Perceptions of Policy Prescriptions**

There are perhaps three major and related features of the responses of the administrative and party bureaucracy to the performance of the government in implementing SAP and its likely trend in the future: first, a general feeling concerning the issue of nationalism in the context of the externally-applied SAP; second, the commitment of the government and party to the SAP; and third, the capability of the government to implement the various measures of SAP. These are examined further below.

*Anti-nationalist bias of SAP* : Both the administrative and party bureaucracy perceived an anti-nationalist side to the IMF-sponsored Structural Adjustment Programme against which there was a deep-seated resentment. But the reasoning behind this feeling varied. The administrative bureaucracy stressed the duress under

which the government had to accept the Structural Adjustment Programme<sup>49</sup> and noted that virtual control over the government budget had passed to the hands of international organisations intermediating for the IMF. They also felt tied financially and operationally, especially in a time following their elevation in the policy-making process, by being made answerable to 'expatriate experts'.<sup>50</sup> In many cases, they felt that they had a better understanding of the local conditions and constraints and of the kind of policy action required. They were also unhappy about the fact that despite this they were being paid much less than these expatriate experts, whose salaries were paid in the preferred hard currency as well. But of all these perhaps the most significant feature was the general and growing resentment against the 're-expatriatisation' of the Tanzanian government, which is rapidly becoming a sensitive government issue.

The dissatisfaction of the party bureaucracy on this score was due to more conventional ideological objections. The basic scepticism was due to their deep rooted statist, anti-market biases as to whether or not the profit motive could ever be socially constructive. And as one political functionary put it, "the efficacy of the state's economic controls to pursue national goals would be completely eroded with the full implementation of SAP". They do not approve of what they often referred to as 'government by donation'. Alongside was a feeling that the present economic crisis was more due to external forces and events rather than a result of past economic policies.<sup>51</sup> Even if they recognise that government regulation and controls might not be effective (or even harmful) they perceive the withdrawal of the economic control of the government as a case of even the government abandoning the people at a time when economic forces seem most uncertain and unpredictable. This perspective on the general nature of SAP obviously influences their response to their commitment to SAP.

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<sup>49</sup> See Chapter 4 for details on this international pressure.

<sup>50</sup> This is a term used frequently within the administrative and party bureaucracy to refer to foreign managers, consultants and advisors from international donor organisations who have been brought in to help the Government of Tanzania to implement the IMF-sponsored SAP.

<sup>51</sup> See chapter 4 for a discussion of internal and external causes for the economic crisis.

*Commitment to SAP* : Even after the attempts by Nyerere's government to liberalise the economy in the early 1980s, the party bureaucracy had doubts as to the economic benefits of stabilisation policies. Some felt for instance that some aspects of conventional stabilisation and adjustment policies like devaluation and the dismantling of government control over producer and consumer prices (e.g., for staple foods) and over interest rates for credit, would result (again) in scarcities and the growth of parallel black markets and thus aggravate the financial difficulties of the common man. Others were a bit more optimistic about the SAP and considered it as 'bitter medicine' - a remedial measure needed to get the economy back on its feet. But they feel it is problematic on ideological grounds - as SAP can enhance the power of specifically capitalist interests through the promotion of the market, they believe that it is *not* socially constructive. For either of these two reasons, the general attitude towards SAP was a reluctant acceptance of its measures.

In almost direct contrast, the administrative bureaucracy were comfortable and even enthusiastic about the efficacy and logic of the Structural Adjustment Programme, although they frequently began by saying that it was a circumstance-influenced measure taken because there was 'no other option'. They however then moved to endorsing the SAP and its logic as well as its appropriateness to Tanzania. Most of the strong supporters were those who had worked with the Tanzanian Advisory Group in the early 1980s. Support was also on account of the events in Eastern Europe in the late 1980s and early 1990s, where they felt that the cumulative cost of statist intervention in those countries had resulted in the economic crisis which had necessitated a major shift in the theory and practice of socialism. In turn, they accepted that there was inefficiency in Tanzanian public corporations and a need for a realistic pricing policy. But they laid the blame on 'the notion of party supremacy' which had resulted in situations where "the elite/experts in various fields were implementing party directives" instead of formulating such policies. They also felt that party leadership was too ambitious and not realistic in setting targets for the administrative bureaucracy to implement, citing the examples of the government programmes for Universal Primary Education and Clean Water For All by 1977.<sup>52</sup>

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<sup>52</sup> See Hyden (1979) for a similar view.



The party functionaries, however, blame the civil servants squarely for the inefficiencies, a Member of Parliament claiming that "the lack of accountability in the institution of the government allows systematic misuse of public resources to go on at an accelerating pace, Mremaism notwithstanding".<sup>53</sup> Such a charge is, however, not uncommon. (see, for instance, Hyden, 1979). These divergent lines of thinking underlying the commitment of the party and administrative bureaucracy to the liberalisation reforms in Tanzania influenced their perception of the third issue, the capability of the government to implement SAP.

*Capability of Implementing SAP* : The civil servants feel that their capacity to implement the measures of SAP is being seriously undermined by both the party and the international organisations overseeing the SAP on behalf of the IMF. The dissatisfaction with the role of the expatriates from international organisations who were supposed to guide the government on Structural Adjustment, is because they are perceived as impeding the flow of resources to areas where they were badly needed. Regarding the Priority Social Action Programme (PSAP) of 1989, one official in the Planning Commission said that 'Although this is supposed to deliver better, it seems contradictory since the government is the deliverer and with SAP there is a control on government expenditure'. He felt that increasing resources were going into agriculture, which is the focus of a lot of foreign aid, but less was going into education and health. Even in the rural areas, there was criticism, one official maintaining that infrastructure in rural areas was not being financed for development, "because it was not serving expatriate purposes". Another source of dissatisfaction is the planning of projects without adequate awareness of local conditions. Bureaucrats question the sustainability of certain projects taken up under SAP "which need to step up production and thus [help to] hold the inflation rate".

The party, they feel, is also impeding the quick and effective implementation of SAP policies by deliberately trying to soft peddle on various issues and is setting low targets and using delaying tactics, to impede the rate of policy implementation

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<sup>53</sup> The reference is to Augustine Mrema, the Minister for Home, who has been waging a relentless but somewhat unorthodox campaign against corruption and inefficiency in the country which has therefore been dubbed 'Mremaism'. See Chapter 5, section 5.5.1, for a reference in context.

often by direct orders. The party also insists on sugarcoating many of the potentially unpalatable measures of the SAP - such as announcing subsidies for small scale investments, producer incentives along with the removal of subsidies on producer prices or government control over salaries alongside reduced working hours (7-3 and only 5 days a week). This the civil service ascribe to the party's fear of an adverse political reaction. But these civil servants feel that although a firm SAP might well provoke protest, so will continued economic deterioration and, further, since the public will evaluate the government on result of the SAP, a good implementation of SAP is vital.

Yet, civil servants feel that there is a divide in the party with a growing group of pragmatic politicians led by Party Chairperson and Tanzanian President Mwinyi breaking ranks with the party ideologues. This new leadership they feel is pro-liberalisation, with a more pragmatic Secretary General and some new Party Secretaries who seem ready to depart from past policies and orientation and who are hence more approachable than were the officials of the older leadership.<sup>54</sup> Also, they pointed out that most of the leadership changes that have taken place in the Mwinyi regime have been in favour of pragmatists rather than ideologues. Even top administrative bureaucrats, they say, have been hand-picked by Mwinyi for their capability and commitment to liberalisation.

The new atmosphere has allowed administrative bureaucracy to play increasingly independent role in policy-making since it is the bureaucrats and no longer the party officials who have to negotiate with the donor community for further technical and financial assistance. Consequently, many top officials have distanced from the party and have little time for ideological debate.

Yet, the administrative bureaucracy feels that the party is using them in projecting a dual public stance: while the CCM espouses socialism officially, it quietly implements radical and tough economic measures through the government

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<sup>54</sup> This pragmatic approach is manifest in the Zanzibar Declaration of 1991, which was backed by the new Party Secretary-General Horace Kolinba and the Party Chairman Mwinyi and also in the endorsement by the NEC of all legislations to free banks and cooperatives from party and government control. And yet senior party leaders like the Party's Deputy Chairperson, Rashidi Kawawa and Prime Minister, John Malecela, continued to defend socialism in public. The 15-year programme unveiled by the party in 1987 as the official policy of the CCM to 'to guide the country into the next century' still talks of its struggle to build socialism and self-reliance.

machinery. They feel that the party wants the responsibility to lie publicly within the government, which makes it convenient for the party to defend *ujamaa* and let the government appear to take the hard SAP decisions.<sup>55</sup> But even here, its fear of public reprisal is leading it to slow down the government implementation. But for the CCM, the biggest stumbling block to economic reforms involving decontrol - which could hence affect patron client networks - is the CCM's political support base - ideologically-committed groups loyal to the party. Yet, on the ground, politicians are attempting to present these to the public in a positive, balanced and persuasive manner.

*An Overview of the Responses* : The overriding feeling is that if these early measures of SAP show positive results, it will be much easier to continue with its implementation. But there is also the feeling, well summarised by a comment made by one civil servant, that "the public is more ready to accept this bold new programme from Mwinyi [rather than from Nyerere]". The Tanzania public gave Mwinyi a symbolic iron broom to 'sweep out inefficiency and corruption' within the government (using force if necessary),<sup>56</sup> which is also interpreted as a licence to adopt and follow new policies to improve the contemporary economic situation. This represents what Nelson (1988) has called the 'new broom' approach and what Teye (1992) calls the 'honeymoon period' - "an initial grace period of public acquiescence" (Nelson, 1988, p. 128)) when the public is willing to suspend judgement. Indeed, one administrative bureaucrat explicitly stated that the lack of public protest is partly because of party-cultivated homogeneity and partly because of an understanding electorate.

Nonetheless, the civil servants feel that, realistically speaking, sudden and sharp breaks in policy might be difficult to implement within the economy on account of the anticipated public response. Thus along with allowing for time for some results of SAP to manifest themselves, some attempts to dilute the measures

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<sup>55</sup> But these civil servants also stressed that there was no open divisiveness or disruption among the administrative bureaucracy and the party functionaries. Although some subtle rivalries existed, they felt it was unlikely to erupt into any major confrontation or split.

<sup>56</sup> The idea behind it is captured by the proverb: A new broom sweeps cleanest.

may be necessary, through a flexibility in timing and phasing of measures. This philosophy of gradualism is evident in the tone and ambit of the recent Budgets.<sup>57</sup>

The administrative bureaucracy also want the party to take open responsibility for SAP - and not use the government as a convenient scapegoat for any adverse short-term economic implications of SAP.

They also feel that a measure that would go a long way in helping them to work effectively with the party and the government would be periodic self-assessments of policy effectiveness, like neighbouring Kenya.<sup>58</sup> The political functionaries, however, do not agree that there was much wrong with the old policies and feel instead that inefficiency in the administrative bureaucracy has just to be weeded out through party directives and party action.

#### 6.5.2. Perspective on Political Parties

The attitudes of the party and administrative bureaucracy on the issue of multipartyism are probably more divergent than their responses reveal. Party bureaucrats professed strong disapproval for the move and claimed that CCM rule was better for Tanzania. They feel that multipartyism will lead to the collapse of *ujamaa* and the ideal of self-reliance. Cohesive national direction would be lost as individual parties formulated and imposed policy packages designed to suit their own political ends. In contrast, they quote the performance of the CCM, without which the Union "would certainly have broken up with regional parties, tribal, religious, regional and racial parties". They also cite the good relationship between the army and the CCM and feel that this would be considerably threatened without a CCM government. Army coups are a very real threat in Africa, "which we in Tanzania

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<sup>57</sup> In this context, it is relevant to note that the 1991 budget has been termed a 'Consolidation Budget' by the *Daily News* issue of June 13, 1991 which also terms it "an instance of pragmatism" where the government wants economic reform "as long as it does not have to close down loss-making companies or declare the NBC [the National Bank of Commerce] bankrupt". The *Family Mirror* puts it more colourfully: "The government is committed to making free market omelettes without breaking the state monopoly golden eggs" (5th August 1991).

<sup>58</sup> The Kenyan government published sessional papers in 1975 and 1980 besides the Ndegwa Report in the late 1980s in order to assess policy effectiveness and this, civil servants felt, was probably a useful thing to do in the Tanzanian case as well.

did not fear till now".<sup>59</sup>Multipartyism thus is seen as a major threat to the unity that Tanzania had attained thanks to *ujamaa* and CCM. Although they admit the CCM has its faults their attitude is that mistakes are inevitable and that the party learns from past mistakes.

Concerning the multiparty debate itself, the party functionaries point out that it was Nyerere and the CCM who initiated the debate. But they dismiss the movement itself claiming that it is "a breakaway group" lacking cohesion and direction with regard to national issues and policies.

The administrative bureaucrats share the commendation of the CCM and the role it has played in unifying the country. One civil servant said, "we certainly do not think in terms of our tribe, or region or religious denomination in Tanzania". And like their counterparts in the party bureaucracy, they admit that the CCM government had made mistakes in the past. But, unlike the party officials, some civil servants include the Arusha Declaration among these policy mistakes. They go on to claim that "people are disillusioned with *siasa na mdomeni* [political rhetoric]". Many administrative bureaucrats are disenchanted with the kind of policies that *ujamaa* had occasioned and with *ujamaa* itself. One civil servant went as far as to state that "there is a problem with the concept of *ujamaa* itself" and that "socialism has not been well comprehended by the people".

Nonetheless, they are not as disapproving as the party officials about the prospect of multipartyism, although they stopped short of expressing themselves fully on this score. Perhaps the constraints on their pronouncements, given that they were party members as well, is best put in a statement made by one civil servant who said that "it is difficult to defend multiparty system without somehow offending CCM and its leaders". But he would not be drawn into disclosing which way he meant the statement.

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<sup>59</sup> There is however a reference to a potential army coup in 1983 which did not come off. Jackson and Rosberg (1986) write: "In January 1983, Nyerere's regime uncovered a plot to bring about a coup" (p. 215). But no further details are given.

## 6.6. Conclusions : Bureaucratic Impressions for Future Reform

The main threads of the responses of the party and administrative bureaucracy examined in this chapter can be broadly divided into two, those affecting the further implementation of SAP policies and those affecting its political future. Under the first, the issues can again be sorted out under three main heads: the impact of SAP policies on the personal economic situation of the respondents; the commitment of these bureaucrats to the SAP and their capability in implementing its policies; and the possibilities for future action.

Regarding the first issue, the response seems to be divided, with those in the branch-level party bureaucracy showing a preference for policies that improved their personal economic situation and tied in with their ideological slant, while civil servants were prepared to take a more far-sighted look at rationalisation measures with adverse short-term consequences and while senior party officials seemed to be divided on most issues. Thus, while the lower-level party officials approved of the increased availability of imported essential commodities and disapproved of the price rise and the imposition of user fees for education, they drew the line at importing more luxury commodities, allowing private property rights and letting the government control their salaries. The administrative bureaucracy, on the other hand, did not mind the increasing prices, the government control of salaries or the imposition of user fees for education - maintaining that these were good for the long run health of the economy - but disapproved of imported luxuries and private property rights, mainly on ideological grounds. The higher-level officials of the party bureaucracy appeared in the main to take the same line as the lower level officials but there were a notable number among them who shared the longer-term vision of the civil servants.

Concerning the second issue, a major feature of the onset of economic liberalisation is that the party bureaucracy and administrative bureaucracy appear to have re-assumed their conventional roles, with the civil servants being once more involved more with policy-making and advice rather than with merely policy implementation. In addition to the positive effects of this re-integration, the support for SAP among these officials stems from the fact that the very logic of Structural

Adjustment also appeals to them strongly. This is in contrast to their more ideologically-committed colleagues in the party hierarchy who are uncertain about the potential of SAP to better the economic situation. Even to those party officials who are more convinced about need for the 'bitter medicine' of SAP, its social consequences are more unpalatable if not downright undesirable. And no doubt to some, the reduction in personal privileges and reduced opportunities for private gain through patron-client networks is a source of their deep disapproval for liberalisation. To this must, of course, be added the implications of the re-structuring of policy-making responsibility.

The party leadership, however, appears to be more pragmatic and pro-liberalisation, as reflected by the endorsement of all new policies by the National Executive Committee of the party. But for fear of the staunch ideologues within the party and of mass political reprisals the government has been soft-peddling over the implementation of several SAP policies, especially those with possibly adverse short term implications for social welfare. So much so that the administrative bureaucracy feels it is being held back from rapidly and effectively enforcing SAP policies. The blame for the slow implementation of SAP, thus, ought not to lie with the civil servants - as is usually assumed - but with the party which is using its constitutionally-ratified supremacy over the government to circumvent the SAP policies for fear of political reprisals.

These implications naturally influence the commitment of these officials to SAP policies. It would also seem to account for the party's attempts to publicly distance itself from the government which is responsible for the implementation of these policies - while the NEC quietly endorses these very same market-oriented policies. The public endorsements of *ujamaa* and self-reliance is also perhaps designed more to please the trenchantly idealist part of their political support base.

An almost unexpected outcome of the implementing structure of SAP policies is the extent of expatriate experts who appear to be directing decision-making in several key economic and managerial areas of the economy. Not only does the administrative bureaucracy feel that such expertise lacks an awareness of crucial local conditions and constraints, but they are also all too aware that these expatriates are being paid several times what they get themselves and that too, in hard currency.

This appears to be a potential source of conflict and is already a sensitive issue with the government.

As far as their own commitment to SAP is concerned, a curious alliance of purpose appears to exist between the administrative bureaucrats and the party bureaucrats. While the latter are quite vocal about the harsh measures of the SAP, they are nonetheless governed by the party's official rulings. And that, in this case, calls for a support of the SAP policies, however unpalatable they may be in the short run. On the other hand, the administrative bureaucracy is keen on the SAP because they believe in its restorative powers. And indeed their personal economic situation as also that of the country as a whole depend on the successful implementation of SAP policies. Irrespective of their disagreements with the expatriate advisors, it is unlikely that they are about to sabotage the liberalisation measures. Even those who profited from the laxity of the government administration, especially in state run enterprises, may have realised that a return to that state of affairs is unlikely and that their best bet was in the general prosperity of the country. But this sort of civil servant was not apparent in the sample.

Within the state and administrative bureaucracy, doubts about commitment to the policies of the SAP are possible, if at all, only within the die-hard ideologues within the party bureaucracy. But even they are more likely to question the government within the party organisation rather than in the implementation stage of what is now accepted party policies for the country. At any rate, this section of the party bureaucracy was not within the sample.

The third issue, however, is probably the most relevant and important from the point of view of this analysis. The clearest statement is an awareness that positive results from the SAP policies already implemented, in terms of actual economic or social gains, are an important condition for the successful implementation of SAP policies in the future. While the civil servants acknowledge that the public, at least in urban areas, is showing a great deal of patience, and that the party discipline is a major help in maintaining public calm in the face of considerable economic hardship, they are keenly aware that there is a limit.

On the question of multipartyism, the party and administrative bureaucrats in the sample appear to hold similar views on the unifying role of the CCM. There



is, however, a markedly different response to the impact of liberalisation on *ujamaa*. While party officials rue the fact that socialism and self-reliance have been left behind in the move, civil servants are not too perturbed by the prospect. Indeed, it appears they may have been more forthcoming in favour of multiparty politics had their government and party positions permitted it.

## Chapter 7

### The Intelligentsia

#### 7.1. Introduction

This chapter discusses political responses to economic and political liberalisation in Tanzania from members of the academic community in Tanzania, including University students, Lecturers and Professors, and from members of the Tanzanian mass media sector, basically journalists and radio broadcasters. These categories of respondents are collectively referred to as the 'intelligentsia', although this is a larger grouping comprising of teachers, writers intellectuals and professionals.

Although Tanzania has won international renown for its progress in the provision of primary education and mass literacy, at least in the 1970s and early 1980s, there are current fears of reversals in this trend following recent cuts in the budgetary allocation to the education sector and the re-introduction of primary school fees. These cuts are due to the re-evaluation of economic priorities as part of the economic liberalisation programmes followed in the 1980s. Education is an important sector for at least two reasons. First, education and politics are intimately related. As Morrison (1976) observes: "on the one hand, schooling influences the formation of political norms and values and provides one of several qualifications for political office-holding; on the other, a political process is involved in educational policy-making and in public controversies over certain policies" (p. 17). Indeed, in Tanzania this has been a major avenue for the legitimisation of the political ideology of *ujamaa* (Roy-Campbell, 1992). Second, some of the most vocal criticism of government policies and action since Independence has come from the education

sector.<sup>1</sup> For these reasons at least, the political responses of the education sector is of considerable importance in the present context.

The press has had a relatively modest growth in independent Tanzania till the middle of the 1970s when the government began to take the question of mass media seriously and initiated several policy actions, including the detailing of a Press Charter and the setting up of an institute of journalism in the country. But the media sector - which is here taken to refer to both the newspapers and the radio stations - has been known more for its technically and politically mediocre voice and their extreme reluctance to criticise the single-party government (Lederbogen, 1992). Yet with the onset of the IMF-sponsored economic liberalisation in the late 1980s, there has been a proliferation of journalistic activity, including the foundation of new private newspapers and an increase in the critical content of journalistic writing even in government-owned newspapers. The impact of mass media in such a context can be quite considerable given political direction and determination.

The chapter begins with a brief outline of the major developments in the education sector, focusing in particular on the various demonstrations and protests made against government policies since Independence. The third section discusses the major features of the development of mass communication in the country. The fourth details the sample of respondents and data collection methods while the fifth section analyses the responses of the sample to various aspects of the IMF-sponsored Structural Adjustment Programme (SAP). The sixth section discusses the responses of the sample to the question of multiparty politics and a concluding section draws together the main threads of the analysis.

## **7.2. The Education System in Tanzania : Three Phases of Development**

At the time of its political independence Tanzania was the second poorest country in the world, less than 10 percent of its adult population was literate (World Bank, 1983, social data; UNICEF, 1991, the Tanzania section) and merely 34

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<sup>1</sup> The period can be pushed back further considering that Nyerere was also a product and participant in this system, having been a government teacher for some time before moving into full-time politics in the years before Independence. See *inter alia* Coulson (1982), especially, pp. 114-115.

percent of children of the school-going age (and around 4.5. percent of the population) were enrolled in primary schools (World Bank 1989; Tanzania section; Morrison, 1976, p. 121). From these humble beginnings, Tanzania increased its literacy rate nearly three and a half times by 1975 to have the most literate population in the whole of Black Africa (Morrison et al., 1989). By 1979 Tanzania had achieved Universal Primary Education in the sense that the population within the school-going age was enrolled in primary schools (World Bank, 1989). And by 1986, 91 percent of the adult population were literate (UNICEF, 1991; Tanzania section). This is certainly an impressive record for a country which even in 1987 was among the twenty-five poorest countries in the world, and one that owes a lot to the policy of Education for Self Reliance adopted in the context of the Arusha Declaration in 1967 (Roy-Campbell, 1992).

Yet, a significant amount of criticism has been levelled against the contradictions inherent in the policies explicitly formulated for the development of education and their implementation. This has come from the members of the single party as well as from the staff and students of Tanzanian institutions besides international observers. But more consistent and expressive protests have come from the student body of the University of Dar-es-Salaam, which until the late 1980s was the sole University in the country. And the government has consistently resorted to drastic action to quell student movements suggesting that they are perceived as a threat.

Policy formation and implementation in the education sector within independent Tanzania can be divided roughly into three phases.<sup>2</sup> The first (1961 to 1967) being the period from Independence to the Arusha Declaration and the policy of Education for Self Reliance; the second (1967 to 1984) being the period till the major liberalisation budget of 1984, which saw the first deliberate government attempt at reducing the budgetary allocation to the education sector and the reimposition of school fees; and the third (1984 to 1991) being the period of intensification of liberalisation trends within the economy and a steady deterioration in the economic condition of the education sector, with decreases in the real income

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<sup>2</sup> For a detailed examination of the colonial policy on education in Tanzania, see *inter alia* Morrison (1976), chapters 2 and 3.

of teachers and the real allowances of students and a deterioration in the physical infrastructure of educational institutions. Each of these phases has also been marked by various student protests. These issues raised in these protest movements as well as the reaction of the state are described in detail below.

#### 7.2.1. The Early Years : 1961 - 1969

The immediate post-independence concern was to redress the unbalanced provision of educational facilities to the African population in colonial Tanzania by abolishing the racially-motivated three-tier system of education.<sup>3</sup> Thereafter, the new government sought to provide greater access to Africans in order to answer the overwhelming national demand for greater access to formal education that had developed in the country<sup>4</sup> and also to train more Africans bureaucrats to take over the running of the country's civil service (Roy-Campbell, 1992; Samoff, 1987). Nevertheless, while the public was demanding more primary schools for their children, the government had been advised to concentrate more on post-primary education<sup>5</sup> because it was believed that obvious economic benefits would accrue from such investment rather than from the expansion of primary school education (Morrison, 1976, p. 110). The Three Year Development Plan (1961 - 1964) and the First Five Year Plan (1964 - 1969) accordingly focused government investment in expanding post-primary education. To this end, an admissions quota was introduced to give preference to Africans in secondary schools and fees were abolished in secondary schools (*inter alia*, Roy-Campbell, 1992; Morrison, 1976, chapter 7; Msekwa and Maliyamkono, 1979, chapters 2 and 3).

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<sup>3</sup> The three tiers consisted of separate schools for Europeans, Asians and for Africans, with the first two categories of schools being far superior to schools for Africans in terms of teaching facilities, staff and student enrolment (Msekwa and Maliyamkono, 1979).

<sup>4</sup> African enthusiasm for education in the period immediately following independence in Tanzania was a result of the belief that education was the path away from the drudgery of the land and towards the comforts of a white collar job. See, *inter alia*, Roy-Campbell, 1991; Coulson, 1982; Morrison, 1976.

<sup>5</sup> This was the recommendation of the Tobias Report of 1962, a Ford Foundation Report by George Tobias, seconded to conduct a "detailed study of the country's middle and high level manpower requirements and ways and means of meeting them" and also of the Report of a UNESCO Mission in 1963 (Morrison, 1976, pp. 111- 112). Accordingly, manpower planning became the basis for subsequent investment in education (Msekwa and Maliyamkono, 1979, p. 24; Morrison, 1976, p. 112).

Facilities for technical and vocational education as well as secondary school education were expanded during this period and government policy also sought to "supplement regular academic instruction with courses of a vocational and technical bent (Morrison, 1976, p. 114.). The problems of linguistic diversity was tackled by making Swahili and English the only media of instruction.

There was, nevertheless, a growing litany of complaints as government efforts of expanding educational facilities failed to "address inequalities based on regional origin, religion, sex and economic status" and consequently accentuated regional disparities (Roy-Campbell, 1992, p. 149). More seriously, there was a growing divide between the public's aspiration for primary school education and the public provision of primary school facilities. This occasioned a spurt of private primary school expansion, reflecting the "unbridled mass enthusiasm for education and its anticipated rewards" (Morrison, 1976, p. 129), that the government was unable to control.<sup>6</sup> This tremendous expansion in primary school expansion was not matched by the increase in secondary school places and the growing crisis erupted in 1966.

In December 1965, the 46,700 students who had written the General Entrance Examination for places in secondary schools were told that only 7,000 had been admitted to secondary schools. The discontent arising from the shattered dreams of students and parents about an escape from poverty focused on the TANU government. This added to the already considerable internal criticism that the government had already received for its inadequate investment in primary education (ibid., pp. 197-199). Parental frustration took either of two forms: protest to the officials,<sup>7</sup> or a withdrawal of children from primary schools - because parents could

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<sup>6</sup> The government had declared that it was illegal to expand primary school facilities beyond the official allotment. See Morrison (1976) chapter 6 for details of the government efforts to curb such expansion and the manner in which they failed to check the surge.

<sup>7</sup> Regarding the first, Morrison (1976) notes that the situation was exacerbated by two facts: one, that the public had not been forewarned of a failure rate of such proportions; two, civil servants and politicians were simply not prepared to withstand the extent of protest. Regarding the situation in Moshi, the scene of the greatest protest, he writes: "Day after day during December [1965], January and February [1966], queues formed outside the Regional Education Office, sometimes a hundred or more people long. One by one, parents filed in to see the Regional Education Officer; dissatisfied with his inability to meet their requests, they would turn to the District Education Officer, Primary School Inspectors, and even clerks. In addition, the office of the District Council's Administrative Assistant for Education was

not see the point of paying primary school fees when the chances of a satisfactory return on their investment were so small. In January 1966, the pressure came publicly on Nyerere, during a meeting in Dar-es-Salaam with all party cell leaders in the city area to discuss the school leaver's problem. While he managed to defuse some of the tension by publicly admitting that there was a problem, a subsequent propaganda campaign to publicise the advances made by the Ministry of Education since Independence in 1961 was not entirely successful.<sup>8</sup> But before the major shift in the educational policy in 1967 that followed the equally dramatic Arusha Declaration that served to re-orient public pressure, there University students had begun to be restive.

A University College had been set up in Dar-es-Salaam in October 1961, as part of the University of East Africa, with just one faculty - the Faculty of Law (the first in East Africa) - and fourteen students (Coulson, 1982, p. 224).<sup>9</sup> Despite Nyerere's fears of education being elitist (Nyerere, 1968, pp. 312-313), the University College established in 1961 was conspicuously elitist and fostered such a feeling among its students.<sup>10</sup> The handful of University students who had

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inundated despite the fact that he had no jurisdiction over secondary placement. Some petitioners merely sought information on schools in Uganda and Kenya, but many others were fully prepared to plead, threaten, cajole, or bribe to obtain places for their children; a few even threatened to injure or kill the Regional and District Education Officers. On one occasion several school leavers showed up at the Office, and although refraining from any activities other than shouting loud complaints, they thoroughly terrified Ministry employees. The police were called for assistance a few times, but, apart from controlling crowds, there was little they could do. Out in the villages in Mount Kilimanjaro, relations became so strained between teachers and parents that in a few cases teachers had to be transferred to schools some miles distant" (p. 200).

<sup>8</sup> Letters to the editors of the daily newspaper were hard-hitting complaints, and only the ones that were not libellous or too extreme were allowed to come out in print (Morrison, 1976, p. 202).

<sup>9</sup> Pratt (1976) notes that although the two University Colleges set up before the one in Dar-es-Salaam - Makerere University College, Uganda and Royal College Nairobi - had a sizeable number of Tanganyikans (216 in Makerere and 26 at Nairobi) the total output of Tanganyikan graduates remained small - 12 in 1958 and 17 in 1962.

<sup>10</sup> Describing the University, Coulson (1982) writes quoting Saul (1968, p. 279): "The university had always been an elitist institution. Its accommodation was lavishly designed and largely built with grants from American, British and Scandinavian sources. The choice of a site outside the city centre distanced the institution from the masses. The students lived on the site in individual study bedrooms in tower blocks - although, with increasing numbers some of the rooms were shared. Their food and allowances, and the books in the library and the equipment in the labs, were superior to those in other educational institutions. The elitism was intensified by the speeches of politicians who stressed the urgent need for the trained manpower that only the university was supplying" (p. 225). Also, Peter and Mvingi

absorbed that the nation's urgent need for trained manpower could only be supplied by the University and were accordingly assured of a high-salaried job and a life of considerable comfort relative to the majority of other Tanzanians.<sup>11</sup> Students therefore disliked the idea of any curtailment of their freedom, either on account of manpower planning and allocation (which tied them to government professions for the next five years) or by the adoption of a one party state (Coulson, 1982, p. 225; Morrison, 1976, pp. 237-238). This extended to the decision of the government to make National Service - a two-year period of nation-building activity in the country - compulsory for University students.<sup>12</sup> But their first show of militant activity was during the UDI demonstration in 1965 organised by the National Union of Tanzanian Students (NAUTS) which drew its membership from secondary schools and colleges besides the University.

According to various reports, students were denied police permission to stage the demonstration, but marched nonetheless through the streets of Dar-es-Salaam to the British High Commission, where they proceeded to burn the Union Jack and to damage vehicles parked on the premises (Morrison, 1976, p. 239 and endnote 11; Peter and Mvingi, 1985, p. 163; Kanywanyi, 1991, p. 14 and endnote 13). Morrison (1976) writes, "[e]ventually riot police dispersed them with tear gas and the leaders were taken to State House to see the President" who "admonished them for their behaviour and sent them to the High Commission to apologise" (endnote 11, p. 249).

Two aspects of this confrontation are of significance. First, as Morrison (1976) notes, "[a]lthough rebuked for their violence (but not their cause) many

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(1985) note that the University College of Dar es Salaam Students' Union (USUD) formed in 1961 was mainly concerned with hosting dances and balls and participating in annual mayoral procession around Dar-es-Salaam (p. 162).

<sup>11</sup> Mukandala et al, (1991) note that in the context of the scarcity of trained manpower in the country, the Adu Commission of 1961 had "guaranteed [Tanzanian professionals] high and even lucrative salaries" (p. 1).

<sup>12</sup> Morrison (1976) writes that although initially the scheme was to be a voluntary one, designed to ameliorate the problem caused by the inadequate absorption of primary school leavers, it was subsequently altered, as the President himself announced in May 1965, to "attract educated youths" so as to give them "the opportunity of repaying the state's investment in their education" and to encourage them to "mix more freely with less fortunate young people in the common cause for of service to society" (p. 238).



students realised just how effective group action could be" (endnote 11, p. 249). Secondly, as Peter and Mvingi (1985) and Kanywanyi (1991) observe the state reaction was surprising. They argue that in view that (i) the government had taken a similar negative stand to the issue of UDI in Zimbabwe and (ii) the student action was not evidence of "roguery and criminal vandalism" but "political expressions of justified anger against imperialism", the use of riot police to disperse demonstrators with some violence was an unprecedented treatment of the 'educated elite'. The common perception is that the action against students was supposed to be exemplary.<sup>13</sup> But student protest continued and violence continued to be used, especially by the state in retaliation.

The next major student campaign came soon after in October 1966 organised by the NAUTS and centred on the terms and conditions of the proposed compulsory National Service for all University Students.<sup>14</sup> Basically, students accepted the compulsory National Service but were protesting against the low pay and conditions of work. In addition, however, there were two important strands of protest. First, at least one student leader claimed that "university students forming the intelligentsia class of the nation can in a way be said to constitute a special category of reasoning and approaches to social problems" (Morrison, 1976, p. 240). Such sentiments served to popularise the government view that the students were being elitist and opposed to sharing in the labour and sacrifices of nation building.<sup>15</sup>

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<sup>13</sup> Kanywanyi (1991) feels that the state reaction was because "the students had gone too far out of step of what the state would have desired" and hence "had to be 'disciplined, never to do it again" (p. 14). Peter and Mvingi (1985) feel, like Kanywanyi, that the state saw the element of violence used "not only as impolitic diplomatically but as a bad precedent" (p. 164), but feel in addition that it was on account of the realisation by the ruling elite, in the wake of the army mutiny of 1964, of how vulnerable it was to disruptions of law and order in the land. They write that "[o]rders to have students rounded up and punished even by caning seem to have been a calculated political act aimed at putting an end, once and for all, to the use of violence in political struggles in Tanzania" (p. 164).

<sup>14</sup> See Morrison (1976), chapter 10 for details.

<sup>15</sup> Indeed, this is the perspective adopted by both Morrison (1976) and Coulson (1982). Morrison (1976) holds that with Barkan's (1971) analysis that students tended to be "more concerned with the trappings of elite status rather than being elite in the functional and behavioral senses of the term" and that "[r]ather than wanting to exercise power by making decisions which will affect the lives of their countrymen", they are "content to carve out a secure niche for themselves and their families" holds in the case of the National Service demonstration of 1966 (quote from Barkan (1971), p. 177 in endnote 2, pp. 248-249). But he does leave the issue slightly open by noting in his introductory passage that "at least the *leaders* of the protest movement demonstrated that they were more motivated by narrowly elitist

While it is undoubtedly true that at least some of the students displayed elitist arrogance and that even the act of negotiating better conditions was an expression of student displeasure at accepting work that was "attractive" to "those who did not possess post primary educational qualifications" (Morrison, 1976, p. 238),<sup>16</sup> at least a section of the student body, was protesting against "unequal treatment". This view was put forward by the TANU Club on the University campus in Dar-es-Salaam whose members pointed out in a statement that "students were being asked to make sacrifices while the "big men" in the party and the civil service continued to enjoy their "huge houses" and "magnificent cars" (ibid., p. 243), a clear reference to the *wabenzi*.<sup>17</sup> Peter and Mvingi (1985) endorse this theme and add that "[m]ost of the state functionaries at middle and top level and the political leadership in general were young people who should have volunteered into national service to show the example of commitment and patriotism" (p. 167).<sup>18</sup> They then go on, however, to claim that the "new breed of qualified, articulate but poor elite posed a challenge to the "Wabenzi" who laboured to make up for their low level of education by

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considerations than by the socialist sentiments so many of them espoused" (p. 237; emphasis added).

<sup>16</sup> While Morrison states that "competition was intense for the 3,300 places available during the Five Year Plan period from 1964 to 1969" (p. 238), Peter and Mvingi (1985) quote the then Second Vice President Kawawa as informing Parliament that by October 1966 "[o]nly 25 have joined national service under voluntary scheme so far" (p. 166).

<sup>17</sup> Broadly speaking, the *wabenzi* refers to the 'haves' of independent Tanzania who indulged in conspicuous consumption with wealth earned as part of the 'fruits of independence'. They appear to have been intensely disliked by the impoverished public at large, for obvious reasons (Morrison, 1976, p. 239). Describing the *wabenzi* in action but not in name, Maliyamkono (1976) writes: "The few individuals in key positions followed the lead of their colonial masters in attitudes and life style and mannerisms. They made efforts to acquire all symbols of wealth ... There was little or no concern for the welfare of the little man. Such was the scene in the key-days of our country's youth. The masses remained behind in the race against poverty, illiteracy and diseases which lingered upon the masses without mercy" (quoted in Msekwa and Maliyamkono, 1979, p. 36). More graphically (but slightly erroneously) and with explicit references to the ruling elite, Peter and Mvingi (1985) quote an description of the *wabenzi* thus: "The ministers and top civil servants had stepped into the shoes of the colonial officers. They had joined the Dar es Salaam club, an exclusive club of top officials of the colonial state. They competed with each other in divorcing their old wives and marrying younger more modern ones and were identified with riding 'Humber', 'Roho' and 'Mercedes Benz' saloon cars. They were nicknamed 'Wakenzi'(sic) which means those who drive in Mercedes Benz cars" (quoting an anonymous ex-student of the University College of Dar es Salaam during the early 1960s; p. 161).

<sup>18</sup> Such a feeling among the students was also noted by Professor Terence Ranger, then a Professor of History at the University College of Dar-es-Salaam, who noted in a letter to Joan Wicken, the private secretary to the President, that some at least of the students felt that "it was unfair for them to be used, as they saw it, as a scapegoat for an establishment which was itself growing fat" (endnote 27, p. 194).

showing-off, of (*sic*) power and conspicuous spending on new cars, mansions and girl friends" (p. 167).<sup>19</sup>

The point of interest is that in the eyes of the public - including the general mass party workers - students themselves were seen to constitute the *wabenzi*. Morrison (1976) notes that the antipathy of the Tanzanian masses towards the *wabenzi* was extended to the educated, the professionals and the students in higher education. He writes that "the mood of anti-intellectualism in TANU, always strong among low and middle level activists who had little formal education, had been strengthened by student opposition to the one-party state proposals; and finally, there was growing public resentment not just of the educated but also of all behaviour that smacked of a "*wabenzi*" mentality" (p. 239).

When the students therefore marched to the State House to present their memorandum to the President, Nyerere's reaction in a dramatic speech culminating in exempting them from National Service and rustivating all the nearly 400 student demonstrators, found a popular echo in the public reaction to the students' protest.<sup>20</sup> Importantly, however, Nyerere responded to the question raised in the students' memorandum about "the propriety of the fat salaries politicians, civil servants and those in the management of public enterprises were drawing, while the peasantry was barely surviving and the proletariat was living below poverty datum line" (Peter and Mvingi, 1985, p. 169) and its concluding statement that "the battle between the political elite and the educated elite will perpetually continue" (Morrison, 1976, p. 244) by (a) stating that both the political and the educated elite were part of the same class that was exploiting the poor and (b) by announcing an immediate 20 percent cut in his own salary. He followed this up a few days later with the announcement that the cut would extend to the salaries of Cabinet Ministers, civil servants and employees of public corporations (*ibid*, p. 246).

While this action served to acknowledge the presence of the *wabenzi* (and to set the stage for a larger attack on their economic positions in the form of the

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<sup>19</sup> They go on to argue somewhat unconvincingly that and that the National Programme was created by the "jealous 'Wabenzi'" to "humiliate" the students.

<sup>20</sup> See Morrison (1976) for a detailed account of the events surrounding the October 22 demonstration in 1966 and Edgett Smith (1973) for the content of Nyerere's speech.

Arusha Declaration), the immediate fallout of the student demonstration was the banning of the student organisation NAUTS and the rustication of a large majority of the student body of the University. Although they were later pardoned and re-accepted within a period of two years, the main message from the government on the issue of student protest was that students "had gone too far, had shown little respect for authority, disabused their democratic right by protesting 'without permission'" and "had to be punished severely so that they would dare not to do it again" (Kanywanyi, 1991, p. 14).<sup>21</sup>

This is a pattern that was to repeat itself at least twice in the future: student protest over national issues - especially the behaviour of the *wabenzi* among the political elite - and over issues of direct relevance to their economic status through public demonstrations and the use of paternalistic and punitive force by the government to crush such movements, expelling students and/or banning their democratic organisations - virtually irrespective of the merits of the issues leading to the student protest.

To conclude the overview of major policy events and public reactions, there are probably three major issues of conflict that characterise this period. First, the conflict between popular aspirations for increased access to primary school facilities to enable rapid economic advance through their children's educational development and the manpower-planning-constrained government policy of concentrating on post-primary education. Second, the triangular conflict between the government's (and Nyerere's) perception of education as providing badly-needed trained manpower for the Africanisation of a new and growing economy, the students' self-perception as an elite-in-waiting and the anti-intellectual stance of the TANU party's rank and file. Third, the conflict perceived by the students between government's public stance and the deportment of the *wabenzi* among the political elite.

The immediate effect of the general unrest in the education sector in 1966, however, was the announcement in 1967 of a major change in the education policy of the country, in the form of the policy of Education for Self Reliance, which was

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<sup>21</sup> On the issue of police permission for the demonstration, Morrison (1976) states that police permission was obtained, while Peter and Mvingi (1985) maintain along with Kanywanyi that such permission was not granted.

to be part and parcel of the earlier Declaration of Socialism and Self Reliance at Arusha in 1967.

#### 7.2.2. Education for Self Reliance : 1969 - 1984

Three major policies concerning education in Tanzania characterise this period. First, the policy of Education for Self-Reliance in 1967, then the *Mwongozo* in 1971 and finally the Musoma Resolution in 1974. Each is briefly discussed below.<sup>22</sup>

Soon after the Arusha Declaration was made public in February 1967, Nyerere issued "another dramatic manifesto", *Education for Self-Reliance* (Morrison, 1976, p. 255), wherein, he summarised his perception of the role of education in a society aiming towards socialism and self-reliance, the faults with the education system inherited from the colonial period and the measures he considered necessary to achieve African socialism and national self-reliance in Tanzania.<sup>23</sup> After noting that the most 'glaring' defects had been tackled, he proceeded to outline four basic areas that were contradictory to the aim of socialist development: the elitist nature of current education; the alienation of education from society; the focus on 'book' knowledge to the detriment of traditional knowledge gained through experience; and the withdrawal of some of the most capable from the productive work force as a result of education.

To correct these 'faults' and to move the economy towards a socialist future, he proposed the following 'first steps': a re-introduction of agriculture in the primary school curriculum, curricular reform to "prepare young people for the realities and needs of Tanzania", making it a seven-year primary course that was complete in itself<sup>24</sup> and aiming at universal primary education; making post-secondary school

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<sup>22</sup> The other major policy moves were the Decentralisation of 1972 and the Villagisation programmes of 1973-1975.

<sup>23</sup> The full text is published in Nyerere (1968a) and has been reprinted in several places including Nyerere (1968c).

<sup>24</sup> This included raising the age of primary school enrolment to seven plus so that school leavers would be fourteen plus.

students aware of their educational advantages and hence social (service) responsibilities; and downgrading the status of examinations in government and public esteem and including other criteria such as "character" and "willingness to serve" in the promotion of candidates or the selection of candidates for jobs (Nyerere, 1968). Further, he envisaged schools and colleges developing as self-reliant and self-sufficient social units with every school being a farm and the school community consisting of "people who are both teachers and farmers, and pupils and farmers" (ibid).<sup>25</sup>

An immediate policy outcome was the adoption of an explicitly socialist programme of 'political education' in all educational institutions (with an especially heavy emphasis in Teacher Training Colleges), the establishment of TANU Youth League (TYL) branches in primary schools and their "re-vitalisation" in secondary schools and teacher's colleges (Morrison, 1976, p. 270). At that time, Nyerere felt that Universal Primary Education would take a long time and was hence planned only for 1989. In 1973 school fees was abolished for all primary school students to encourage primary school enrolment (Morrison, 1976). But along with expanding primary school education, another aspect of mass education, adult education, was also encouraged from 1970 onwards.<sup>26</sup>

The articulation of the *Mwongozo* or Party Guidelines in 1971, one of the few policy documents in this period not directly drafted by Nyerere, caused some consternation because of its overtly socialist overtones. While the policy of

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<sup>25</sup> Msekwa and Maliyamkono (1979) feel that at the school level, the policy of Education for Self-Reliance has been interpreted, "and probably correctly" as dealing with three aspects: "the means to fight the growth of public expenditure on education, relative to other social services"; "an important tool in fostering correct values, including cooperation, responsibility and self-dependence"; and to "prepare young people to fit better into their own communities" (pp. 45-46).

<sup>26</sup> Msekwa and Maliyamkono (1979) note that Adult Education had already been on the agenda since the late 1940s and in the period from 1961 to 1969 adult literacy classes were conducted by the Community Development Division of the government and by voluntary agencies. The Kivukoni College was opened for adult education in 1961 and an Institute for Adult Education set up by an Act of Parliament in 1963 (pp. 51-53), and expanded into a "high level ideological institute for the training of party and rural development cadres" in 1973 (Morrison, 1976, p. 279; see also Msekwa and Maliyamkono, 1979, pp. 53-56). In 1973, compulsory adult and political education classes were introduced in all places of work and "all workplaces were required to offer workers' education by conducting classes for their workers during normal work-hours for a period of not less than one hour daily" (Roy-Campbell, 1992, p. 153). But she also observes that this led to the diversion of "financial, human and psychological resources" away from primary school expansion to adult education (ibid, p. 152).

Education for Self-Reliance saw students and pupils as "active participants in the school community, sharing responsibility with teachers for determining and meeting its needs" the *Mwongozo* in a more general setting defined a new and more prominent role for the party "in a number of areas previously the preserve of bureaucrats and technocrats, including the provision of guidance and leadership in the creation of socialist, participatory democracy in all places of work" (Morrison, 1976, p. 285). In particular, it "condemned the arrogant, bureaucratic and undemocratic practices of the leadership" (Shivji, 1990, p. 54), in short, the *wabenzi* attitude of the ruling elite.

But the slow pace of reform irked Nyerere (Morrison, 1976, p. 274) and is a major factor for the even more revolutionary (at least in terms of goal definition) Musoma Resolution passed by TANU's National Executive in 1974 which decreed that "within three years arrangements must be completed for making primary education accessible to all children of school age" (Roy-Campbell, 1992, p. 152).<sup>27</sup> Again, the economic and logistic demands of such a programme were secondary considerations (ibid). But the actual implementation of the policies and the problems found therein are not as significant in the present context as is the response of the public to specific aspects of government policies during this period.<sup>28</sup>

*Public Protest against Government Education Policies* : There are probably three distinct sets of protest movements against government action from within the academic community during this period: first there were the moves towards militant Marxist-Leninist student activism in the University College/University of Dar-es-Salaam that culminated in the 1971 Akiwaga affair; secondly, there were a series of clashes between students and teachers in secondary schools and some other institutions of higher education in the period immediately following the *Mwongozo*; thirdly, the public demonstration in 1978 by University students against proposed increases in government salaries during a time of a severe national economic crisis.

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<sup>27</sup> This is a good example of the one characteristic of policy-making in Tanzania in this period, which Hyden (1980) has called the "we must run while others walk" aspect.

<sup>28</sup> For this, see *inter alia* Buchert (1994), Galabawa (1991) and for earlier surveys, Mbilinyi (1979), Msekwa and Maliyamkono (1979), Mbilinyi (1979) and Morrison (1976).

Also, the increasingly critical writing of members of staff at the University against government policies and actions saw government retaliation in the form of termination of contracts and forced retirements. Each of these is discussed in turn.<sup>29</sup>

The announcement of the Arusha Declaration and the policy of Education for Self Reliance, oriented the students towards the left of the political spectrum. A Socialist Club was formed which soon became the more militant University Students' African Revolutionary Front (USARF).<sup>30</sup> A TYL University College District Branch was set up which joined in the activities of the USARF as did a TANU Study Group in the city (Kanywanyi, 1991, p. 15). A radical student journal was started called *Cheche* or the 'spark' (following the Lenin's *Iskra* and Nkrumah's *Spark*).

The University College became a fully-fledged University in 1970 with Pius Msekwa a party bureaucrat as its First Vice-Chancellor. This is widely seen as the beginning of a period of 'bureaucratisation' of the University, with the party-appointed bureaucratic administration assuming control over decision-making in the University (Mushi, 1991; Sheriff, 1991; Kanywanyi, 1991; Baregu, 1991). In the new university, the Dar-es-Salaam University Students' Union (DUSO) succeeded the USUD as the students organisation.

In 1970 *Cheche* ran a special issue on class struggles and published a critique of the Arusha Declaration by Issa Shivji entitled 'Silent Class Struggles in Tanzania'

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<sup>29</sup> An isolated incident reminiscent of the 1966 protest occurred at the Nyagezi Training Institute of the Ministry of Agriculture and Cooperatives in 1970 where forty-six students were expelled by their Principal because they refused to move into a dormitory which they claimed "lacked proper washing facilities and partitions" (Morrison, 1976, p. 290). But this was neither a big issue nor an organised student protest.

<sup>30</sup> The USARF organised Sunday ideological classes devoted to studying "Marxist, Fanonist and Nkrumahist texts", solidarity work trips to nearby factories and *ujamaa* villages and public lectures by prominent figures such as C. L. R. James, Cheddi Jagan of Guyana, Gora Ebrahim of the Pan Africanist Congress of South Africa, Abdulrahman Mohamed Babu (a veteran Zanzibari Marxist and then a cabinet minister) and Stokely Carmichael of Black Power fame (Shivji, 1990, p. 52; see also, Kanywanyi, 1991, p. 15; Peter and Mvingi, 1985, p. 174). Shivji (1991) adds that "[s]tudents grouped around USARF not only mounted ideological discussions but also challenged the traditional students' organization, the University Students Union, Dar es Salaam (USUD)" (p. 52). It not only organized public lectures but also condemned the curricula and syllabi as irrelevant and imperialist inspired, while expatriate lecturers were branded as 'bourgeois'" (p. 53).



and, in retaliation, the Vice chancellor informed students in November 1970 that the State House had ordered that the USARF and *Cheche* be wound up. Then in July 1971, Symonds Akivaga, a Kenyan and President of the DUSO wrote an open letter to the Vice Chancellor complaining of "inadequate student representation on committees, a breakdown in communications with the administration and the slow progress in adapting the University to the needs of socialist development" (Morrison, 1976, p. 287). But he also "accused the University of bureaucracy, high-handedness and undemocratic behaviour" (Shivji, 1990, p. 55). But when the University authorities rusticated Akivaga on the grounds that he had used "inflammatory language" in his letter (Morrison, id.),<sup>31</sup> in a show of unprecedented solidarity, students boycotted classes and staged sit-ins on the campus. In another unprecedented move, staff members of the University came out in support of the issue of non-democratic decision-making on the University.<sup>32</sup> Nevertheless, the only positive result from the movement was that the University authorities substituted committees for individual decision-makers in most University affairs. There were no further student disturbances on the University campus until the demonstration of 1978, but among the staff and elsewhere in the country considerable unrest was taking place.

Firstly, following the publication of the *Mwongozo* in 1971, there was a spate of wildcat strikes by workers against "authoritarian styles of management" (Mushi, 1991, p. 7) which were put down with government force (Mushi, 1991, p. 7).<sup>33</sup> Students in secondary schools and other institutions followed suit. Second, there were a series of confrontations between staff and students in secondary schools over

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<sup>31</sup> Shivji (1990) however states that "the F[ield] F[orce] U[nit] was dispatched post-haste to round-up Akivaga and deport him to Kenya, his home country" (p. 55). Somewhat more picturesquely, Peter and Mvingi (1985) write: "armed riot police (there was no riot on campus then) drove into the campus in full gear, armed to the teeth, to escort the unarmed Akivaga away" (p. 182).

<sup>32</sup> Peter and Mvingi (1985) write: "In a joint staff-student meeting called to discuss Akivaga's rustication, it transpired that the members of staff and not only the students had no say in the running of the University. Members of staff could not even meet without the permission of the administration because they had no organisation of their own" (p. 182). The struggle of the members of staff to start their own staff association and for more representation on decision-making bodies in the University is documented later. But as Peter and Mvingi (1985), pp. 182-183, Morrison (1976), p. 287 and endnote 129, p. 304, Akivaga was soon ousted in an internal *coup* and the affair died down.

<sup>33</sup> In addition, see *inter alia* Peter and Mvingi, 1985, and Morrison, 1976.

the period 1971 - 1974. Incidents were reported from schools in Mkwawa, Mzumbe, Musoma, Pugu, Bwiri and Tumaini (Morrison, *ibid*, endnote 124, p. 304; Peter and Mvingi, 1985, pp. 183-186)<sup>34</sup> and in almost all these incidents, Morrison (1976) notes, "teachers and many members of the public have accused students of disrespecting authority and exploiting *Mwongozo*" while "students in turn have criticised teachers of being colonially-minded and negligent" and that "[a]s in any polarized situation, the truth lies buried somewhere in between" (p. 286). But they were serious enough for the government to "consider methods of curbing their radicalism so that it would not spill into colleges of higher learning and the University" (Peter and Mvingi, 1985, p. 185).<sup>35</sup>

Two major movements among the University staff are discernable for reform in the period 1967 to 1984. The first was the movement for curricular reform during 1967 - 1972 and the second was for a independent and democratic staff association which was finally granted in 1980 in the form of the University of Dar es Salaam Staff Association (UDASA). While the first movement was toned down by actions internal to the University, the second was prolonged by the bureaucratic administration of the University. The only instances of state intervention in University staff affairs were: (a) the non-renewal of teaching contracts for expatriate members of staff in 1972 and 1977-79; and the 'voluntary retirement' of seven senior staff members of the University in 1977.

The movement for curricular reform started immediately after the Arusha Declaration with a group of nine expatriate lecturers seeking to establish a more relevant (socialist) inter-disciplinary approach to social science teaching involving

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<sup>34</sup> Morrison (1976) observes that these are only the prominent ones reported in the press and that there were more that went unreported. For full details of the major secondary school protests, see Morrison (1976), p 286 and Peter and Mvingi (1985), pp. 184-5.

<sup>35</sup> These measures, formulated in the Musoma Resolution of 1974, included disciplinary measures (even dismissal) against teachers found to be behind student unrest, a compulsory year of national service for students who had completed secondary school and two years of work experience before joining higher education institutions (*ibid.*). But, as later critical analysis showed, these were not entirely successful (e.g., Mbilinyi, 1979).

a dissolution of conventional University departments.<sup>36</sup> But the new generation of American-trained Tanzanian professors and heads of department who were taking over in 1972 "did not welcome a proposal to remove them from their secure positions as heads of traditional department" (id.) and ensured that only a 'watered-down' version of the re-organisation was accepted and put into practice.<sup>37</sup> Consequently, Coulson (1982) notes, the expatriate left felt "betrayed" and "its spokesmen either departed quietly or found that their contracts were not renewed" (p. 228).

Although the University functioned almost uneventfully from 1972 to 1976, the struggle to establish a Staff Association that was *not* a trade union organisation (since the party's worker organisation, JUWATA was the only trade union permitted in the country since the trade union struggles of 1963)<sup>38</sup> but could operate independently of the bureaucratic University administration continued.<sup>39</sup> Although started in 1972, it took certain critical events in 1977 and 1978 to push the issue through the University administration and in 1980, UDASA was formed.

The increasing subordination of the academic functioning of the University to its administrative side has been extensively commented upon recently.<sup>40</sup> It is closely associated with the periods in office of the first two Vice Chancellors, Pius

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<sup>36</sup> Coulson (1982) writes that this group argued that "the traditional Western division of social science into economics, political science, sociology, geography, etc., was irrelevant in an underdeveloped country building socialism, where most of the problems (e.g., of rural development) were *interdisciplinary* in nature" (p. 227). They wanted an inter-disciplinary core course along with "a number of career-oriented specialisations in rural planning, industrial planning, resource assessment, public administration, or whatever" (Coulson, 1982, p. 227). Perhaps the most revolutionary part was that this concept of teaching did not require traditional departments; instead, "power was to be held by those elected to co-ordinate the various career streams, who might come from any of the disciplines involved" (id.).

<sup>37</sup> A course called 'Social and Economic Problems of East Africa' was offered in the Law Faculty which evolved quickly into a compulsory 'Common Course' for all students. Thereafter, Shivji (1990) notes, "through the *East African Society and Environment* offered in the Faculty of Arts and Social Science, the initiative to offer interdisciplinary education culminated in setting up the Institute of Development Studies" (p. 53).

<sup>38</sup> See Coulson (1982, pp. 137-140) or Pratt (1976, pp. 177-186) for accounts of the trade union activity of the early 1960s, the subsequent banning of trade union activity in the country and the subordination of all such activity under the party-controlled union, JUWATA.

<sup>39</sup> See Sheriff (1991) for a comprehensive account of this struggle.

<sup>40</sup> See, for instance, Baregu (1991), Kanywanyi (1991) and Sheriff (1991).

Msekwa (1970-1976) and Ibrahim Kaduma (1977-1979), who were both party bureaucrats prior to these appointments. Although Coulson (1982) finds that Msekwa had "mellowed after his confrontation with students in 1970/1 and took a fairly tolerant view of the debates on the campus", his successor was well-known for his authoritarian approach (p, 229).<sup>41</sup> Kaduma disliked the "free-ranging debates about government and party policy which were a feature both of teaching and of public meetings on the campus" (id.).

In 1977, Kaduma's first year as Vice-Chancellor, "five left-inclined senior Tanzanian academic staff were suddenly 'retired in the public interest' without warning and then offered employment elsewhere in the civil service" (id.).<sup>42</sup> Sheriff (1991) notes that "the renewal of contracts of many progressive expatriates was blocked during the next two years in the name 'of nationalism" (p. 5).<sup>43</sup> Kaduma, however, also had a major role to play in the student unrest during 1977-1978.

Student unrest resurged in 1977 according to Coulson (1982) who writes that in response to the expulsion of two groups of students in October and November, students "held protest meetings (which Kaduma claimed were illegal) and boycotted classes for two days" (p. 229).<sup>44</sup> The actual demonstration, however, was sparked off by a report in the *Daily News* that, in an obvious contravention of the Arusha Declaration, "ministers, senior party officials, and members of parliament would get substantial salary rises - as much as 40 percent in many cases" (id.).<sup>45</sup> Since the country was "in grave economic problems and cholera had spread almost over the entire country", students were "infuriated" (Peter and Mvingi, 1985, p. 188).

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<sup>41</sup> Sheriff (1991) is not so charitable about Msekwa's attitude towards the functioning of the University.

<sup>42</sup> Coulson (1982) goes on to note that "[the historian Arnold] Temu had recently been re-elected Dean [of Arts and Social Science], with an overwhelming majority, and petitions in his support were soon circulating, along with letters to *The Daily News*, and the retirements were even raised by four MPs in the National Assembly" (p. 229).

<sup>43</sup> Although there were widespread protests, Sheriff feels that these were not successful because of the lack of an effective staff organisation that could challenge the government on such issues.

<sup>44</sup> Curiously, he does not mention why they were expelled and this incident is not referred to by any of the other writers on student unrest in Tanzania during this period.

<sup>45</sup> Peter and Mvingi (1985) are more specific about these provision. See, especially, pp. 187-188.

However, students organisations of three institutions, the Ardhi Institute, the Water Resources Institute (Maji) and the University of Dar-es-Salaam who had demanded an explanation from the government and were negotiating for an audience with Nyerere through the then Vice Chancellor Ibrahim Kaduma, were led to believe that the Chancellor had refused to see them.<sup>46</sup> Students took to the streets, intent on marching to the city centre six miles away from the campus. Coulson (1982) writes "students had marched before but never before had they openly demonstrated against a decision that had just been made by the Party" (p. 229). Shivji (1990) adds that this was first time that a student demonstration had been organised on basically *national* issues (p. 58).<sup>47</sup> Shivji (1990) writes, "[s]tudent demonstrators were beaten up and expelled from the University and their organization was banned by the state, never to be revived again" (p. 58).<sup>48</sup> Coulson (1982) writes that "[a]fter some days and without any legal procedures, more than 400 [students]... were taken by the police to their home areas" (p. 230). However, all but forty were allowed to return after a few months.<sup>49</sup> But in addition to the expulsions and the banning of the DUSO, the government "issued a fabricated account of the student struggle" through the state-controlled press justifying the expulsions by saying that students had "engaged in acts of hooliganism and had tried to cause chaos contrary to national

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<sup>46</sup> Although Nyerere said that he was ready to meet them, Kaduma failed to convey this to the students believing that since "students were highly inflamed" it would be better if they met the Party Executive Secretary Pius Msekwa instead (Peter and Mvingi, 1985, p. 188).

<sup>47</sup> Shivji writes that in addition to the increase in the privileges granted to MPs and Ministers during a period of economic crisis and cholera, they were also demanding that "the Party should not interfere in the revolutionary activities of the students; that the prices of peasants' crops be raised and wages should also be revised upwards" (endnote 19, p. 68).

<sup>48</sup> The riot police, the Field Force Unit, intercepted the students at the working class suburb of Manzese and asked them to return back to their respective campuses. When students refused, "the police unleashed violence" during which "some students were injured" (Peter and Mvingi, 1985, p. 188 and Coulson, 1982, p. 229 respectively). Students, however, "re-formed nearer town and headed for the office of the English-language newspaper *The Daily News* where they hoped to hand in a manifesto" (Coulson, 1982, pp. 229-230). But while Coulson (1982) continues "[i]nstead, they were rounded up by armed police and taken away in buses", implying that they did not in fact reach the newspaper office and read their manifesto, Peter and Mvingi (1985) state that the students "re-grouped and continued their demonstration which ended up at the government newspaper *Daily News*" where "they read their memorandum" (p. 188). The memorandum, however, has been published in the *Review of African Political Economy*, 1978, No. 10, pp. 101-5.

<sup>49</sup> The forty comprised "21 who were alleged to have organised the demonstration and 19 who had given false information (usually names and addresses) to the police" (id.).

ethic" (p. 190).<sup>50</sup> Yet Coulson (1982) feels, unlike in 1966, where students had marched basically to protect their privileges, in 1978 they had "joined exploited workers and peasants to protest about a bureaucracy which was granting itself privileges contrary to the Arusha Declaration" (p. 230). He further observes that the extreme reaction of the state "shows that they were perceived as a real threat" (id.).

But in a public question answer session with the students in July 1978, Nyerere not only pardoned the students but also admitted publicly that there had been an "error" caused by the Vice Chancellor not informing students of Nyerere's willingness to hold talks. But he refused to lift the ban on DUSO, the student organisation, maintaining that the CCM Youth League would run student affairs in the University.<sup>51</sup> This organisation was the MUWATA, conceived later that year as a "pan-territorial student organisation under the control and supervision of the Youth League" (Peter and Mvingi, 1985, p. 191). With this imposition of party rule over student organisation, Coulson (1982) notes that there was an "uneasy truce on the campus" (p. 230). This uneasy truce persisted till the end of the 1980s.

Both these events of 1977 and 1978 bolstered the staff struggle for an independent association and in 1980 UDASA was formed. Although it began to discuss and debate national issues with considerable vigour, its only points of direct conflict with government interests came in 1983 and 1984 when members of staff

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<sup>50</sup> Further this statement charged that "students were protesting against the government programme of sending experts to the rural areas and the new terms and conditions of service of members of Parliament, Ministers and Party leaders at different levels of leadership" (id.). It also alleged that students had been "informed that the Chairman of the Party was willing to listen to their complaints but had chosen to stage an illegal demonstration" and hence that "their purpose was not to present their complaints to the Party Chairman or to get an explanation of the government decisions but to cause chaos" (id.). Coulson (1982) also notes that "students were treated to a good deal of abuse in the press" and were accused of "having opposed ujamaa village managers (there was no evidence of this) and of having marched instead of accepting an evidence to talk things over with President Nyerere (the evidence suggests that this invitation was received when it was already too late to stop the march)" (p. 230). Importantly, he also adds that "the march itself was peaceful, and the students received enthusiastic support from the crowds along their entire route; the disruption of it was violent, with several students seriously injured" (id.).

<sup>51</sup> In this context, Coulson (1982) notes that although the President had made it clear that "he did not see the University as merely an ideological institute", the university would never be a socialist institution" (p. 230). He writes even more tellingly: "Its economic function was, and would continue to be, to train a privileged class of technicians, managers and administrators. Those who argued for socialism would be tolerated only so long as they did not expose the weaknesses of the state" (id.).

were arrested and detained in violation of existing legal procedures.<sup>52</sup> The timing coincides with the height of the government campaign against economic saboteurs (see chapters 2 and 4). In both cases, the academicians subjected to police action "were not presented before a court within the legally stipulated 24 hours, were denied access to legal advice, were interrogated by the police in the absence of their legal counsels, and one of them was required to surrender his passport" (Sheriff, 1991, pp. 8-9).<sup>53</sup> Again, the head of the institution was not informed. Following UDASA protests, Nyerere deputed the then Prime Minister Salim Ahmed Salim to meet a UDASA delegation and he admitted that the arrests did not follow legal procedures, reassured them that such acts would not be repeated in future and especially without the permission of the Head of the Institution (Sheriff, 1991, p. 9). But these were violated in 1989 in the case of two student leaders from the University of Dar-es-Salaam as is discussed below.

### 7.2.3. Education and Liberalisation (1984 to 1991)

Through the tentative steps towards economic liberalisation till 1984 and the moves towards the 1986 agreement with the IMF on Structural Adjustment, the education budget was diminishing and at an accelerated pace thereafter (Roy-

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<sup>52</sup> See Shivji (1990; pp. 60-65) and (1991; pp. 20-21) for an account of staff action on national issues, especially those of the Legal Aid Committee and the Law Faculty of the University. The first incident was in January 1983 when T. B. M. Bugingo was detained in connection with a treason case. UDASA raised the matter with the Vice Chancellor pointing out that the entry of security forces into the campus and the detention of a member of staff without even the head of the institution being informed "created a sense of insecurity and weakened the integrity of the University" (Sheriff, 1991, p. 8). Although the then Vice Chancellor Nicholas Kuhanga "reaffirmed the University's position as regards academic freedom and observed that the University had an obligation to defend the principle at all times so as to ensure that academics carry out their tasks without fear or sense of insecurity" (id.), a similar incident re-occurred about a year later. In November 1984, two members of the academic staff Professor Sam Ntiro and Ndugu Mziray Kangero were detained and their houses searched at midnight without any search or arrest warrants being shown. In contravention of the Bill of Rights contained in the 1984 Constitution (but which had been suspended in the mainland; see Shivji (1990), pp. 62-63).

<sup>53</sup> The detention was apparently linked to the alleged possession of a 'seditious' document calling for a multi-party system and addressed to the Chairman of the CCM. The UDASA put its case to the Chancellor, Nyerere, as well as to the Minister of Justice and Attorney-General J. Warioba that since "documents are our tools of trade ... if we are to go by the police definition of sedition as implied in this incident, we would have to close shop or have each document vetted by the forces of law and order" (Sheriff, 1991, p. 9 quoting from the letter from the then UDASA Chairman, Professor H. Othman, to the President of Tanzania).

Campbell, 1992; Mukundala et al., 1991). This re-prioritisation of investment to weather the economic crisis has been reflected in the declining infrastructure in educational institutions, the decreasing availability of education materials including chairs, tables, blackboards, notebooks and textbooks as well as declining real incomes of teachers and diminishing real value of student allowances (Roy-Campbell, 1992; Mukundala et al., 1991; Baregu, 1991).<sup>54</sup> Although staff at the University of Dar-es-Salaam protested in 1986 about the "pathetic conditions" in the University and the "resultant flight of teachers to greener pastures", this had received a "cold shoulder in the usual bureaucratic process of delays and indifference" (Shivji, 1991, p. 21). School teachers also have been unhappy about the poor pay ever since the late 1970s and were increasingly resorting to taking private tuition classes on the side (Mbilinyi, 1979; Carr-Hill, 1994).

The deteriorating conditions for students led to two specific instances of student unrest, in 1988 and 1990, although there were more clashes between the academic community and the state.<sup>55</sup>

Baregu (1991) writes that in 1988 there was a "student crisis in which students were demanding a raise in student allowances, an independent student organization and a different way of administering various student allowances" (p. 3).<sup>56</sup> Shivji (1991), sees in this action, the emergence of a "more militant student

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<sup>54</sup> Shivji (1990) notes that by the end of the 1980s, "a University professor's salary amounted to no more than US \$ 50 [per annum] while a student's book allowance could not buy more than two standard text-books" (p. 21). Further he observes that the infrastructural facilities in the University had deteriorated to the point where "even chalks, dusters and mimeographed material became scarce" (id.). Baregu (1991) states that the physically run-down state of the University was the subject of comment at a Donor's Conference in 1988 where "the verdict of most donors was that the university badly needed a strategy of continuous preventive maintenance" (p. 3). He also mentions "a chronic water problem [on the campus] leading to despicable and totally unhygienic conditions on the whole campus" (id.).

<sup>55</sup> Apart from a brief mention in Sheriff (1991, p. 10) about a 1986 student crisis regarding book allowances and medicines, there is hardly any news of other student or teacher protests. In 1994, however, a report quotes the Education Minister Philemon Sarungi as admitting "that student unrest is caused by a lack of funds" and goes on to say that "[o]ver 20 secondary schools were closed following student riots and extensive damage" (*African Business*, September 1994, p. 44).

<sup>56</sup> He goes on to describe the issues as follows: "One of the key issues at that time was that the meal allowances given to students were inadequate to provide them with a wholesome diet on a daily basis. Students were also protesting against the state of accommodation in their halls of residence. Apart from the overcrowding in their rooms students complained about the generally unsanitary conditions in which they were forced to live" (p. 3). The last issue apparently received increased emphasis when "[t]he report investigating the circumstances of Levina Mukasa's death described living conditions as brutalising" (id.).



leadership" which, among other things, "set to work on the formation of an autonomous [student] organisation" (p. 21). This was the DARUSO, launched in 1988 coincident with the replacement of Vice Chancellor Nicholas Kuhanga, a party bureaucrat, by Professor Geoffrey Mmari, the first academic to hold this post since 1970 (Kanywanyi, 1991, p. 15). But DARUSO was pending official sanction from the Chancellor.<sup>57</sup>

In early 1989, two student leaders were "illegally arrested, detained for three weeks and interrogated" apparently because "they had dared raise questions on the way funds were used by the 'leaders' on a trip to the youth festival in North Korea" (Shivji (1991), p. 21).<sup>58</sup> Protests by UDASA to the Prime Minister Warioba, reminding him of his own and his predecessor's 1984 commitment that "such 'acts of illegal and improper search, arrest and detention won't be repeated in future" and the report of a University Council probe committee "which also confirmed most of the charges against the state security service", led only to the Prime Minister admitting in private that "excesses had been committed" but maintaining that all concerned were to blame and all had therefore to "forget and forgive" (Sheriff, 1991, p. 9 and Shivji, 1991, p.21).

In 1990, however, there was a more serious confrontation between the academic community on the 'Hill' and the state.<sup>59</sup> Even before the interim government of DARUSO was properly in place students met in their General Assembly (Baraza) on April 7th 1990 to discuss "a long agenda including their own academic and living conditions" (Shivji, 1991, p. 21). Shivji (1991) writes: "The Baraza developed into an extended Baraza lasting over some ten days as student

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<sup>57</sup> Kanywanyi (1991) also writes that one of the major reasons behind the setting up of DARUSO over and above the state-enforced MUWATA was the discovery that "MUWATA had no legal status" since "it had never been given to operate as a University of Dar es Salaam students organisation by the Chancellor as per the relevant law" (p. 15).

<sup>58</sup> Sheriff (1991) describes the incident in detail: "Nd. Bazigiza and Mkenda had been part of a Tanzanian delegation to the Youth Festival in Korea where they had protested against the conduct of the delegation's leadership and had written a report on their return. The former was detained in Korea, and both were abducted, blindfolded and taken to a place of incarceration. They were subjected to long periods of interrogation and were kept for several weeks under degrading conditions of nakedness" (p. 9).

<sup>59</sup> The University of Dar-es-Salaam is situated on a small hill called *Chuuu ki koo* outside the city of Dar-es-Salaam and the University is thus referred to, especially within the academic community, as the Hill.

demands began to be pressed at various levels. Lecturers, while expressing reservations on the method (boycott of classes) adopted by students to press their demands and raise issues, found the issues themselves supportable. In an unprecedented move, lecturers joined the student Baraza through their organisation UDASA. Joint discussions and debates ensued" (p. 21). Among the issues, Sheriff (1991) counts "a series of university and national issues: declining allocation of resources to education; inadequate student book and other allowances; impoverishment of the lecturers and the 'brain drain'; corruption, accountability and democracy in the country and at the 'Hill'; and a number of other burning national issues such as low producer prices and minimum wages" (p. 10).<sup>60</sup>

But it was not only the unity between teachers and students, although "momentous in the history of the University" (Sheriff, *ibid.*), that characterised the 1990 demonstration. In another unprecedented move, the students put into practice the government slogan of public accountability and summoned four University administrators to appear before its Baraza and to "explain alleged incompetence, negligence and corruption in their offices" (Shivji, 1991, p. 22).<sup>61</sup> In another novel move, the students dispensed with representative negotiations with the state authorities being skeptical about its effectiveness and purpose.<sup>62</sup> However, they reluctantly decided to send a delegation with a limited mandate to meet the

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<sup>60</sup> Shivji (1991) also mentions that in the various student statements as well as Baraza debates a number of 'national' issues were raised including. "the gutting down of the Central Bank in a fire which remained unexplained; the purchase of a second-hand pontoon which broke down within days of its arrival for which no one had been made accountable; the deteriorating conditions of workers and peasants and the increasing income differential between the top and the bottom; dumping of waste by the City Council in Tabata causing health and environmental hazard to the residents" (p. 22).

<sup>61</sup> Shivji (1991) continues: "Having sought explanations, the Baraza went ahead and passed their decisions; the doctor acquitted himself well; the Baraza "fired" the Estates Manager and withdrew recognition from the Chief Administrative Officer". Noting that the Baraza did not actually have any legal powers, Shivji argues that "politically this was an important act" which asserted "the right of the community to demand accountability and re-call, if necessary, those supposedly appointed to serve it, but in law and practice, lording over it" (p. 22).

<sup>62</sup> The Baraza decided not to send delegations to the government but instead invited the Principal Secretary of the Ministry of Education to come and listen to the Baraza. Being dissatisfied with his explanations the Baraza then invited the Chancellor and President of Tanzania Ali Hassan Mwinyi to come and listen to the Baraza. The Chancellor, however, sent word that he was ready to see a delegation. But the reluctant Baraza decision to send a delegation with "no mandate to 'negotiate' or arrive at decisions", Shivji (1991) notes, was "construed [later] by the media and state spokesmen as insolence and act of disrespect on the part of students to the Head of State" (p. 22).

Chancellor, but since it did not have the power to negotiate any settlement, the issue was left unresolved.

The government reacted in two stages. Its immediate reaction had three facets. First, it issued an ultimatum to striking students to return to classes (and most students apparently did). Next, it unleashed an unprecedented and massive propaganda onslaught on the students through the two daily national newspapers and the national radio.<sup>63</sup> But with the appearance within ten days of the Students Baraza of a poster campaign in the University maligning the Head of State (with posters ranging from regular political cartoons indefensibly vulgar drawings), the state authorities intensified the propaganda campaign and closed the University on the 12th of May 1990.<sup>64</sup> Students were asked to vacate their hostels at four hours notice. They were prohibited from working while at home and were expected to report regularly to the District Commissioner's Office in their locality (*Africa Events*, February 1991, p. 9).

The officials reasons given for the closure of the university apparently span a wide range, from "protecting peace on the campus; forestalling possible physical clashes among students; imposing punishment for disrespect, indiscipline and insubordination" (id.). Yet, there was no violence involved. Shivji (1991) notes that "students remained peaceful" throughout "in spite of some efforts by 'agent provocateurs' to incite violence" (ibid., p. 23). But he also adds that there was no physical violence against the students.

Despite the Report of the Mrosso Commission (appointed to investigate the issue) which "completely exonerated both students and lecturers" (*Africa Events*, February 1991, p. 9), the government implemented its second stage reaction when the University re-opened nearly eight months later on the 1st of January 1991. There

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<sup>63</sup> Beginning on the 18th of April, students "were portrayed as 'traitors' who had committed the heinous crime of treason against the nation; unpatriotic; national enemies; agents of external enemies; disobedient; rude and nothing but hooligans" (ibid., p. 23). Yet Shivji (1991) notes that neither was any student taken to court nor was any evidence was produced in support of the charges. Editorials and 'views of citizens' called upon the government to "punish the students severely; whip them; make them pay for their education, etc." (id.).

<sup>64</sup> Again, Shivji (1991) is doubtful of their origin and writes "at the time, the campus was infested with 'strange faces' from the state apparatuses, [and] the planting of such 'literature' by 'agent provocateurs' cannot be ruled out" (ibid, p. 22).

were two main actions. First, the government announced that 13 students were to be expelled and 8 others were to be severely reprimanded. Secondly, the government also announced several staff transfers, the most significant ones being (i) the transfer of Vice Chancellor Mmari to Sokoine University; (ii) the appointment of Professor Shivji as Chairman of the Land Question Committee (with a year's mandate); and (iii) the appointment of Professor Baregu to a diplomatic post abroad.<sup>65</sup>

Shivji (1991) points out several factors towards an explanation of the state reaction. First, he notes that the government feared 'domino effects' within the nation since "what [students] were saying, and wanted to say, is and has been on the lips of the masses of people even if it has remained unsaid" (p. 23). Hence, if the students could say it, debate it and protest about it, "so could other, even more critical, sectors of the society" (id.). Secondly, he notes that the open debates and discussions in a mass assembly that characterised the student protest "looked like a harbinger of mass politics" and "could become infectious" (id.). Thirdly, the students' call for public accountability was turning official policy on its head and was therefore "usurping the role of the Parliament", regardless of its effectiveness. Fourthly, the nearly successful call for an autonomous organisation could spread and join with other voices in officially-sponsored state organisations already calling for autonomy and independence. Fifthly, the ominous implications of the unity between students and members of staff on the University (pp. 23-24).<sup>66</sup>

In the context of these and other struggles by various sections of civil society, Shivji (1990) makes two important observations. First he observes that "[t]he unique characteristic of the Tanzanian state has been to allow a fairly free and even critical *intellectual* debate, at the same time, to firmly suppress any *collective* protest or *organised* alternative politics" (p. 65). Secondly, he notes that the debates and discussions among the intelligentsia have been (a) largely confined to the intelligentsia and (b) uncoordinated, incoherent, inconsistent and largely

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<sup>65</sup> Of these, the dismissal of the Vice Chancellor has led to the greatest protest within and outside the University and there have been several calls on the President to revoke his decision.

<sup>66</sup> He also ascribes "minor factors" including "the fact that this is an election year; internal contradictions within the 'palace'; vying for favours by individuals with the Head of State and therefore outdoing each other in the condemnation of students; distracting attention from other national issues and concerns by focusing on the alleged misdeeds of the students" (ibid., pp. 23-24).

spontaneous, without either "organised form or links with the broad masses of the people" (id.). Nonetheless, the student demonstration of 1990 served to emphasise that students remain one of the most volatile groups within civil society and one which the state seeks to suppress because it recognises therein a potential threat.

There are a few notable features of student protest at government policy in this and the previous periods. First, the government has seen the academic community mainly as a supplier of trained manpower to serve the needs of the nation. Indeed it has likened the University to a parastatal organisation (Baregu, 1991; Sheriff, 1991). Secondly, and relatedly, it has not taken kindly to organised student protests over local and national issues, however justified, although superficially it has sought to champion the cause of academic freedom and critical independent thought, especially in the Universities. Thirdly, any form of organised protest by the students, even on grounds that seemed common with the rhetoric of the government, has elicited prompt and extreme measures of suppression including armed force. However, as the repeated uprising of an essentially fluid student body has shown, government attempts to 'teach students a lesson once and for all' have not succeeded. Lastly, in contrast to students, teachers in schools, colleges and Universities have responded to the considerable deterioration in their economic conditions by either moving into the informal sector to supplement their incomes or by moving out of the country and thus the education sector.

### **7.3. The Media in Tanzania : An Outline**

There are four issues of interest regarding the mass media in Tanzania. First, the various institutions that make up the mass media sector in the country. Secondly, the communications policy of the government. And within this, a feature sufficiently notable to warrant separate consideration as the third issue of interest, the lack of adequate information from the government especially on controversial matters of keen public interest that has led to a rumour culture in the country. Finally, the change in the attitude of the government towards the media following the economic liberalisation in the late 1980s that has permitted an independent press to emerge and more critical writing in the state-owned newspapers. Each is examined below.

### 7.3.1. A Profile of the Media

At the apex of the contemporary Tanzanian media sector on the mainland is the Ministry of Information and Broadcasting which oversees the national press - comprising basically of the English papers *The Daily News* (and its weekend edition *Sunday News*),<sup>67</sup> the national radio - *Radio Tanzania Dar es Salaam* (RTD), the national news agency *Shirika la Habari la Tanzania* (SHIHATA) and the Tanzanian School of Journalism (TSJ). Zanzibar has its own Ministry for Information which supervises activities of *Radio Zanzibar* and *TV Zanzibar*. The various Party publications including the newspapers, *Uhuru* and *Mzalendo* (the Patriot/Nationalist) and the workers magazine published by JUWATA called *Mfanyakazi* are directly controlled by the single party.

The mainland Ministry of Information is divided into several directorates, one the most important of which is the Tanzanian Information Services which controls all media organisations in the country, except the national radio, and keeps the media informed about government activities - including "journeys, appearances of members of the government or official notices" (Lederbogen, 1991, p. 37). Foreign news is supplied by SHIHATA, established in 1976, which buys it from foreign news agencies like Reuters and the Agence France Presse but newspapers also use the mail services of other African and international news agencies (ibid, p. 43).

*The Daily News* is the largest national English daily with a circulation of 50,000 although the Party newspaper published nation-wide in Swahili, *Uhuru* (Freedom) has the larger circulation of 100,000 (Lederbogen, 1991). There are far more weekly, monthly and quarterly publications than dailies, but equally there are several publications that for various reasons cannot keep up a steady publication rate.<sup>68</sup> Each national newspaper employs around sixty permanent staff, of whom

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<sup>67</sup> *The Tanganyika Standard*, begun in 1929, became *The Standard* in 1965 (Morrison, 1976, p. 339). Then, Lederbogen (1991) writes, "[a]fter stormy clashes between the Tanzanian government and the British media giant, Lornho, in 1970 the paper was finally nationalised, merged with the party paper, *The Nationalist*, and renamed *Daily News* and *Sunday News*. Morrison (1976) however puts the nationalisation date at 1972 (ibid.).

<sup>68</sup> For a detailed listing of the various publications, see the Press Directory of Tanzania, URT (1986) and Lederbogen (1991), Press Directory, pp. 151-157.

half are journalists and between 4 and 6 are photographers (ibid, p. 43). Yet the two papers are targeted at different readership; while the readers of the *Daily News* are the educated elite, the party paper *Uhuru* sees itself as a 'medium for all' (ibid., p. 42). Also there is a 'capital bias' in the coverage of the two, not only because there are no regional editions of these newspapers but also because they tend to cover events in and about Dar-es-Salaam (ibid, p. 144).

Yet, given the uneven spread of education in general and English education in particular, neither set of Newspapers can be truly called a 'mass medium'. The only medium that comes close to being accessible by all is the radio. Radio broadcasting began in 1951 as a colonial administration-operated service, and was constituted as a public corporation, the Tanganyika Broadcasting Corporation (TBC), modelled on the BBC, in 1956. But, as Lederbogen (1991) writes, its expansion into "a mass medium with adequate transmitting power and fast-growing recipient potential and programmes due to the spread of the transistor radio" came only with independence (p. 48). There are two radio stations operating currently, one in mainland Tanzania and the other in Zanzibar.

Coulson (1982) writes that "[t]elevision was not introduced [in Tanzania], except in Zanzibar, on the (very logical) grounds that it would not reach the majority of villages [on the mainland], and so would benefit a minority; instead resources were used to improve the radio service" (p. 206). However, television has been in Zanzibar for around 20 years, while mainland Tanzania has been promised a television station in the 1990s.

Since the nationalisation of the newspapers and prior to the liberalisation measures of the 1980s, there is comparatively less by way of anti-government protests or movements in the media sector. However, there has been a distinct change in the nature of newspaper and radio reporting after the moves towards economic liberalisation. This is discussed below after briefly describing the main features of the media sector and of the communication policy of the state in the pre-liberalisation period.

### 7.3.2. Communication Policy in the Single-Party State

Although Tanzania has no comprehensive and consolidated body of legislation regarding its communication policy, there are several notable features of the attitude of the single-party towards the media since Independence that together can serve to summarise communication policy in the single-party state.

Firstly, the immediate post-Independence political activity did not pay as much attention to developing mass media as other newly-independent African countries had done. Lederbogen (1991) ascribes this "unusual reticence" to the structure of the unitary party whose tight-knit hierarchy facilitated the flow of politically-important information to the general public (p. 26). He writes: "Political legitimisation, propaganda and communication as a rule used traditional media such as meetings and announcements, with radio and newspapers employed only complementarily" (p. 26). Another reason, doubtless, was the low level of literacy in the 1960s. Indeed Lederbogen (1991) notes subsequently that "the print media became more important with the mass literacy campaign under Julius Nyerere" (p. 39). Indeed, the entire mass media in Tanzania, he later states, "primarily addresses townspeople, the rich, the educated, whereas the 85 percent rural people, the poor, the illiterates, remain largely excluded from access to informative and educative sources" (p. 143).

Secondly, since the written word has remained the most widely disseminated in newspapers, the single-party state has sought to use it for political legitimisation and propaganda, and more so after the nationalisations. Thus Lederbogen (1991) writes that by far the most significant feature of the media in Tanzania, at least until recently, is the "close meshing" of political and communication structures (p. 26). Although no official policy document is unavailable, Lederbogen (1991) culls three basic objectives of government efforts from available various official documents and government statements: national integration, socio-economic modernisation and cultural self-identification. The overall aim seems to be, as Lederbogen puts it, "the lessening of inequalities, the wish for balanced participation, be it in the spreading of new technologies or the provision of schooling" (p. 22). However, in practice, all three are linked to the legitimisation and stabilisation of single-party rule. This



impression is reinforced by the fact that the media in Tanzania are part of the political system and that most Tanzanian journalists are state employees (ibid., p. 27). Indeed, both in the 1967 Arusha Declaration and in the 1976 Newspaper Act (which was basically the Press Charter proposed by Nyerere), the degree of state control over the media's actions was spelt out quite clearly.

A third characteristic feature is the tension between journalistic freedom in theory and state censorship in practice. In the Arusha Declaration, for instance, the mass media was to not only support the country's policy of socialism and self-reliance, but also the policies of the party and the government, it was also "free to criticise any particular acts of individual party or government leaders, and to publicise any failures in the community by whoever they are committed in the implementation or following upon complaints or suggestions from the people" (Lederbogen, 1991, p. 27)<sup>69</sup> Further, the media was to "report the truth to the best of their ability, and without distortion, whether that truth is pleasant or unpleasant" (id.). In the same vein, President Nyerere assured the media at the time of the nationalisation: "The new "Standard" will give general support to the policies of the Tanzanian Government, but ... will be free to criticise any particular acts of individual Tanu or Government leaders, and to publicise any failures in the community, by whomever they are committed. It will be free to criticise the implementation of agreed policies, either on its own initiative or following upon complaints or suggestions from its readers".<sup>70</sup>

But Part II of the Newspaper Act of 1976 is clear in its requirement that all publications for public consumption must be registered by the Ministry of Information and that the Minister can refuse to register a publication if it is "contrary to the public interest" (Lederbogen, 1991, p. 26). And further, it reserved the right to forbid the import and dissemination of foreign print products (id.).

Such official policy called for a difficult balancing act for journalists and was not always successful. Coulson (1982) observes, in the context of *The Daily News*

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<sup>69</sup> He quotes Mpenda (1990), p. 6f.

<sup>70</sup> Nyerere, *The Standard*, 5 February, 1970, p. 1; quoted in Coulson, 1982, endnote 13, pp. 342-343).

that "[o]n occasion it was willing to follow the liberal terms of reference given to its predecessor *The Standard* when it was nationalized in 1970, and to attack abuses of power or confusions of policy, although there were strict limits beyond which it would not venture" (206-7). He goes on to quote the instance of the 'influential columnist' Chenge wa Chenge who's article encouraging the striking workers' in 1973 was followed within two weeks by a complete turnaround by the paper, which proceeded to justify the harsh government action taken to suppress the workers movement (Coulson, 1982, pp. 288-289).

Indeed, most journalists are now characterised as indulging in self-censorship, an act which is locally known as 'writing with scissors in their heads'. But in another contradiction between rhetoric and reality, Nyerere is supposed to have "frequently accused the media angrily of censoring news themselves" (Lederbogen, 1991, p. 146). Yet, journalists and especially those employed by the state have "learnt to interpret even the slightest pointers from the government and party as to what news is agreeable to the political leadership and what is not" so as to "not endanger their careers in state employment" (id.) Lederbogen (1991) is probably correct in observing that "very little professional autonomy is to be found in Tanzania's state-controlled mass media and it is probably unassertable" (p. 144).

But there is an interesting fourth feature which is that the correspondence columns of Newspaper provided a safety valve for Tanzanians to vent some of their feelings about what has been going on in the country (Coulson, 1982, pp. 206-7). However, even here, there has been a certain amount of censorship and only those views that pass muster are allowed to appear.<sup>71</sup> Still, this is the only exception to the rule of 'bullet communication' (one way, no return) that has been widely criticised (Lederbogen, 1991, p. 23 *passim*).

But perhaps the most important feature is a negative feature: the plethora of technical and financial problems which have not only meant that the Tanzanian mass media has been unable to be an institution of discussion and control, as it usually is

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<sup>71</sup> On this issue, see Morrison (1976), chapter 10, in the context of the letters received by the editor during the school leavers' problem in 1966 and the national service demonstration by university students also in 1966. See also Shivji (1991) who doubts the authenticity of at least some of the strongly-worded letters condemning the student action in 1990.

in most other countries, but which have resulted in a failure in carrying out even government propaganda effectively. These financial problems have grown in severity with the onset of the economic crisis and the subsequent indigenous liberalisation (ibid, p. 23). Only three programmes on the national service of the radio survive to the 1990s, a general national service, an external service aimed at listeners abroad and a schools service. A fourth programme, the Commercial Service was closed down in 1989 because of "poor studio technology and outdated transmission equipment" (ibid, p. 49). And, ironically, despite the official attempt to protect the Tanzanian masses from the corruption of western media (especially television), Lederbogen reports that due to the poor technical quality of Radio Tanzania's broadcasts, kiswahili broadcasts from foreign stations such as the BBC, the Deutsche Welle and Voice of Kenya can often be heard with greater clarity.

This last feature is especially important since the limited and often dated news items that appear in the national mass media do not satisfy the general public, especially on issues of national importance, and this has led to a 'rumour culture' in the country - an important means of mass communication in a society where there is a lack of accurate and complete information on events and government actions and a great public desire for such information. Indeed Nyerere is reported to have termed Dar-es-Salaam 'Rumourville',<sup>72</sup> This is explored in further detail below.

### 7.3.3. Official Disinformation and the Rumour Culture

In a unique and important book published in 1990, a prominent journalist Ndimara Tegambwage writes of the paucity of information in Tanzania, where government officials are chary of giving a full and correct picture of political and other events within the country, where journalists either do not risk presenting full details or are prevented from doing so by their editors and publishers and where as a consequence rumours, wildly inaccurate and sensationalist, dominate the lives of ordinary citizens.

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<sup>72</sup> Professor I. G. Shivji in his Foreword to Tegambwage (1990, p. vii).

Tegambwage (1990) provides two sets of examples to substantiate his case. Firstly, important instances where the government has deliberately sought to screen the information being made available to the public either by official silence, or the release of inaccurate and confusing press reports or by instructing mediapersons not to publish.<sup>73</sup> And secondly, instances of rumours that have spread around the country in the face of such a lack of information, reflecting the public need for news.<sup>74</sup>

His main points of argument, however, are that government and its officials "sit on information and are not moved by the docile state-owned and controlled media" (p. 14). He writes that silence by the government on issues of public concern "creates apathy, breeds doubts and suspicions, and erodes government credibility amongst the people". It also decreases the confidence of the people "in the state-owned national media as a reliable purveyor of news and information" (ibid, p. 14). Further, he notes that "scanty information, and unclear, unspecific statements sometimes released by the government and leaders, are not better than silence as they leave so many questions unanswered, thus confusing the audience on the issue un question" (ibid, p. 15). This form of 'censorship', he argues, leads to public speculation and rumour-mongering, both of which are rife in the country.

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<sup>73</sup> He refers to: (i) the Kilombero massacre in 1986 where members of the paramilitary police "fully armed, fired at workers and passersby at the Kilombero Sugar Company factory premises, leaving four dead and 16 others wounded" - which was investigated by a government team whose report was never made public in full; (ii) the mysterious fire in the Bank of Tanzania building along Mirambo Street in Dar-es-Salaam - which was reported by the mass media without adequate follow up with coherent details of extent of damage or responsibility; (iii) the death of 30 people in an illegal gold mine in Mwanza region in 1985-86 - which was denied by the government whose probe teams' reports were not published in full; and (iv) the negotiations leading up to the signing of the 1986 accord with the IMF and the details of the conditionalities - which have not yet been made available in full to the public.

<sup>74</sup> Herein, Tegambwage mentions the rumour (1) about a rift between party and government following the election in 1985 of Mwinyi as President of the Union and the continuation of Nyerere as Party Chairman; (2) about whether or not Nyerere would step down as Party Chairman in 1987; (3) about foul-play regarding the death of Premier Sokoine in 1984; (4) about Sokoine's differences of opinion with other members of the Cabinet over his 'crusade' against corruption in the government; (5) about the moves for setting up alternative political parties in the country; (6) that Aboud Jumbe's resignation as President of Zanzibar in 1984 was a result of party pressure; (7) that regarding the growth of dissident activity in Zanzibar seeking to topple the government in Zanzibar; and (8) the anti-party anti-Union activity reported from Zanzibar's sister island, Pemba. But these are only a few of the 87 rumours that Tegambwage has collected over the years (ibid, p. 34).

Rumour as a means of filling in for unavailable official information is particularly effective and almost invariably erroneous. Analysing 81 examples of public rumours concerning political and other events in the country, Tegambwage (1990) notes that "61 percent would never have entered the rumour category were the journalistic principles honoured even to the point of a committed (*sic*) journalist losing a job or going to jail" (p. 34). Another 38.9 percent, he notes, "would not have become rumour were the authority giving full, detailed explanation for certain actions; if authority was clear and specific, and if it had not erected "road blocks" in form of filters - those information managers who regard themselves more Tanzanian, more married to policy, and more capable of deciding, (most often arbitrarily and unprofessionally) what the rest of the people should read, hear or see on TV" (id.). Only, 0.1 percent of the 87 examples of rumours he has collected, he feels, represent stories where rumour could not be ruled out.

He further notes, pointedly, that in a society that talks of 'power to the people', it is indeed remarkably incongruous to have "a few people sitting on information, leaving the majority to feed on bits and hearsay" (ibid, p. 35). In such a situation, it is indeed natural that the public should try and listen to foreign radio in an obvious preference for any additional pieces of information.

His conclusion, however, is far-reaching for he feels that without accurate and complete information there is a lack of accountability, especially among the top echelons of the government and party. He writes:

"In Tanzania, deeds of officials are not knowable, or if they are, it is through the rumour industry. This means that if their deeds are not knowable, then officials are automatically not accountable. And, strictly speaking, without accountability there is no democracy. But as both the officials and the press have yet to acquire the impulse to disclose things, all [official] talk about *kuwajibika* (accountability) remains empty (p. 33).

Pursuing his theme that there is little real democracy in the functioning of the single-party state in Tanzania he writes:

"for democracy to function, people need to be fully informed. They must be informed so as to enable them be conscious of their rights;

so that they are able to make sound decisions on all matters affecting them; so that they question the abuse of power, fight and protect their own rights and demand accountability by all those in power, in representative positions and at places of work" (ibid, p. 35).

Nevertheless, although he himself has taken a lead in this process through his independent magazine *Radi*, as Professor I. G. Shivji records in his foreword to the book, Ndimara Tegambwage is a rare journalist.

#### 7.3.4. Liberalisation and Press Freedom

After 1986, there have been two major changes in the functioning of the media in Tanzania. First, there has been greater critical content in journalism and secondly, there has been an unprecedented growth in private publications for mass circulation. Yet, conditions in the official media sector have seen a steady deterioration over the 1980s.

*The Deterioration of the 1980s* : Lederbogen (1991) reports that SHIHATA was in dire economic straits in the late 1980s: Beginning in November 1988, Reuters stopped supplying foreign news for nine months because SHIHATA was no longer able to pay the annual subscription fee of £ 22,000 and in July 1991, SHIHATA had "long been" in debt to a French news agency which had also stopped its service (p. 44). Further, not only are there complaints within the media sector about the delays in dissemination of news from SHIHATA, many of the subscribers now have their own offices or correspondents in the major provincial capitals "who phone important messages to their head offices in Dar-es-Salaam" (p. 46).

To the long-standing complaints of poor printing standards and an erratic and expensive newsprint supply can be added the inadequate infrastructure reflected in "overburdened telephone networks, defective telex machines, lack of paper and lack of transport" (ibid, p. 138). Consequently, journalists often see their stories 'date and die' before they reach the main office, what Tanzanian journalists term "writing for the waste paper basket" (ibid, pp. 47-48). In extensive interviews in the late 1980s with journalists in Tanzania, Lederbogen finds that there is very little job

satisfaction among Tanzanian journalists, who list "bad working conditions, inappropriately low pay and political control" as the main factors (p. 146). The low pay forces them not only to work on the side but also to try and go abroad, if not for work, for training (pp. 114-115). Lederbogen writes that many journalists have been at training centres in Europe, North America and the former Eastern Bloc countries (p. 147). But beyond a desire for training, there has been a great urge to work abroad. He finds that nearly 65 percent of the 83 media workers he interviewed "would prefer to work outside Tanzania" (p. 118).

*The Possibilities of Liberalisation* : Just over a year after events in Eastern Europe in 1989, a certain liberalisation was evident media policy and tangible reforms were put in place. Several independent newspapers were allowed to be launched some of which carry frankly critical articles. Lederbogen (1991) writes that they can now "compare the political system in Tanzania with that in South Africa or criticise the state party" without fear of being punished (p. 28). Perhaps the most visible evidence of this change in official policy was the hosting of a workshop on the freedom of the press in Tanzania by the government-owned *Daily News* in January 1990, whose proceedings were reported in the same paper under the banner headline: "No Press Freedom in Tanzania" (id.). Lederbogen goes on to quote from the story:

"Many journalists, publishers and scholars rejected the assertion that Tanzania enjoyed press freedom. Twenty participants had the opportunity to contribute to the debate. The Secretary-General of the Publishers Association of Tanzania cited an example in which the *Daily News* failed to publish a review about a book about the recent treason trial. His petitions to the editor were not heeded. 'When I complained about it to some journalists, they reminded me not to forget that the editor had a family', he told the workshop. He said the media ignored the interests of the people because its editorial policy was determined by the state" (pp. 28-29).

These are sentiments that would have been virtually impossible to express publicly and thereafter, expect to see in print. Although most comments were on the inability of the mass media to report accurately and factually because of political

interference, there is a growing trend of self-criticism. Lederbogen notes that censorship is now being "publicly pilloried" (p. 146). This is underlined in an article in the *Daily News* soon after the report on the Workshop, which said:

"There is press freedom in Tanzania... The only problem is that the media in Tanzania don't use their freedom to the degree they should; the freedom is there, but it is not always used. The image of our media more often than not turns out to be cowardly, as if unfree. But self-imposed restriction on the press on its freedom does not negate the existence of this freedom. It simply manifests cowardice on the part of the editors. A stronger will, with a little bit of courage would spur the press towards a more forceful and responsible utilisation of the freedom that it does, in fact, have" (p. 30).

Meanwhile, the independent press of Tanzania has continued to diversify. Although initially comprising almost exclusively of church publications - the most outstanding being the Catholic periodical *Kiongosi* (The Leader), by 1991 there was a business paper, a women's magazine, sports papers, music and film magazines and Islamic papers (Lederbogen, 1991, p. 74). The business weekly called *Business Times* is published in English while a bi-monthly political journal *Fahari* is published in Swahili. However, Lederbogen feels that the private press has not been able to help redress the bias in the access of the general public to information largely because it is a metropolitan phenomenon (ibid, p. 143). However, to this criticism, Tegambwage (1990) adds the stronger criticism that there is little serious journalism in the private press. He maintains that while the private media has a mission to question the government's withholding of news and information, query officials for issuing "unclear and unsourced" statements, and demand an end to "the spasmodic, bit-by-bit release of information", in actual fact, it indulges in escapism by remaining silent on many issues, and by publishing "sloppy material under the guise of 'entertainment'" that serves to tell the public that serious issues of public concern "don't matter". In doing so, he feels, they "only perpetuate backwardness and the system that breeds rumour" (ibid, p. 35).

Thus, although the grip of the government on the media appears to be loosening, the extent to which complete autonomy will be possible and the advantage that journalists and opponents of government policies will be able to make of it



remain to be seen. But despite its financial and technical troubles, it is clear that the mass media remains, at least potentially, one of the more potent agents of political mobilisation within civil society. But before going on to discuss the political responses of the sample of mediapersons and members of the academic community, the sample itself has to be discussed in somewhat greater detail.

#### 7.4. The Sample of Respondents

The sample of 77 respondents interviewed in this category of urban Tanzanians can be differentiated on the basis of two broad criteria: their occupational structure (including the proportion of women) and their economic status (including their informal sector activities). All the respondents work, study or teach in Dar-es-Salaam although some students were actually interviewed in Arusha and Dodoma.

*Occupational Structure* : The largest category of respondents are students as Table 7.4.1 below shows and, together, staff and students are a larger sub-category than mediapersons.

Table 7.4.1 : Occupational Structure of Respondents

Category of Respondent		Number of Respondents	Sub-totals
University Students	Undergraduates	31 (9)	57 (11)
	Postgraduates	24 (1)	
	Non-degree students	2 (1)	74.02 %
University teaching staff	Professors	7	15 (2)
	Lecturers	8 (2)	19.48 %
Mediapersons	Government newspaper	1	5
	Private newspaper	3	
	Government radio	1	6.49 %
Total			77 (13)
			100.00 %

*Note* : Figures in brackets refer to the number of women respondents.

The majority of University students interviewed are undergraduates (31 out of 57) while 24 are postgraduates and two are non-degree students, but none were first-year students. The students are mainly from the Departments of Political Science and Law and from the Institute of Development Studies. Some are mature students who have been working prior to coming to the University and have wives and children. The sample of 15 members of the University teaching staff have almost equal numbers of Professors and lecturers. The Professors are from the Departments of Political Science and Law and also from the Economic Research Bureau and the Institute of Development Studies of the University of Dar-es-Salaam. Of the five members of the media sector, one works for the government-owned national newspaper *The Daily News*, another for the government-controlled national radio, *Radio Tanzania Dar-es-Salaam*, and the remaining three work for two newspapers in the newly set-up private independent press, *The Family Mirror* and *Business Times*.

A singular feature of this sample is the low number of women respondents. All the 13 women in the sample are drawn from the university and are mainly students. Only two working women are in the sample, both lecturers, one from the Department of Education and the other from the Department of Political Science.

*Economic Status of the Respondents* : The economic status of the respondents may be evaluated by looking at the formal earnings of the working sub-sample, the number of dependents they have to support (including children and immediate families), their estimates of Basic Necessary Income and the informal sector activities that they engage in to supplement their formal income or student grants. While students get approximately 1,800 Tsh per month as their student allowance from the government, the monthly salaries of the University teaching staff and the mediapersons are given in Table 7.4.2 below.

Table 7.4.2 : Income Distribution among the Salaried Respondents

Category of Respondent	Monthly Salary Brackets		
	Tsh 4,500 - 7,000	Tsh 7,000 - 10,000	Tsh 10,000 - 14,000
Teaching Staff	3	5	7
Mediapersons	1	3	1

Among the teaching staff, the respondents reporting incomes in the last two salary brackets are Professors. Given that the urban minimum wage was Tsh 3,000 during this period, these salary brackets would correspond, roughly, to between 1½ and 2½ times the urban minimum wage, between 2½ and 3½ and between 3½ and nearly 5 times, respectively. It is interesting to compare this Table with Table 6.4.1 in the previous chapter. There, none of the civil servants earn less than Tsh 7,000 and the salary of the civil servants ranged between Tsh 7,000 and Tsh 15,000, which is roughly the same as the salary range for Professors. Further, the bureaucrats at the branch levels had salaries ranging from between Tsh 4,000 to Tsh 12,000 - roughly the same as that of the lecturers in the present sample. But as Peter and Mvingi (1985) write, it is not the basic salary as much as the perks and other advantages of office that matter. And in this respect, clearly the administrative and party bureaucrats (at the national and regional levels) have a definite advantage over the University teaching staff.

The respondents themselves feel that these magnitudes of income are inadequate as their monthly estimates of the basic income necessary to support a family of five in Dar es Salaam, given in Table 7.4.3 below, indicate.

Table 7.4.3 : Basic Necessary Income per Month According to Respondents

Monthly BNI Estimates (Tsh)	Number of Respondents quoting the Estimate			
	Students	Teaching staff	Mediapersons	Sub-totals
6,000 - 8,000	12	-	-	12
8,000 - 10,000	15	2	-	17
10,000 - 12,000	3	4	-	7
12,000 - 14,000	24	2	-	26
14,000 - 19,000	2	3	4	9
over 19,000	1	4	1	6
	57	15	5	77

A significant feature of this distribution is the preference for increasingly larger monthly incomes as one moves up from students to teaching staff to the

journalists. Most students prefer between 12,000 and 14,000 Tsh per month - although more than half are content with between 6,000 and 12,000 Tsh - while most of the teaching staff would be satisfied with an income between Tsh. 8,000 and 19,000. Journalists, however, prefer the higher end of the scale quoting upwards of 14,000 Tsh which probably indicates, among other factors, the fact that members of the academic community have government subsidies that others sections of society do not. But it might also reflect an awareness of the earning potential of private enterprise and therefore a rising standard of living.

Mukundala et al. (1991) also gives actual and preferred incomes for teaching staff members in the University of Dar-es-Salaam, but these are not comparable because their estimates are in US dollars and they do not mention the rate of exchange used to convert the figures. These "minimum (living) wages for the academic staff" are, however, reproduced in Table 7.4.4. below to give an idea of the range of estimates proposed (Mukundala et al., 1991, p. 5).

Table 7.4.4 : Actual and Preferred University Teaching Staff Monthly Salaries

Position	Number	Actual Salary (US\$)	Preferred Salary (US\$)
Professor	40	101 - 125	1000
Assistant Professor	69	90 - 98	800 - 900
Senior Lecturer	139	71 - 90	650 - 800
Lecturer	166	58 - 69	550 - 650
Assistant Lecturer	164	45 - 57	450 - 550
Tutorial Assistant	37	31 - 42	400 - 450

While the differences between actual and preferred incomes could have been on account of a variety of factors, two important factors are the number of dependents of the respondents and the possibilities of additional sources of income, which are discussed below.

Dependents : Of the 45 respondents who have children, only 37 are married with 3 acknowledging common law wives. Two of the 5 with no long-term relationships are women. While roughly equal numbers of the sample have either no

children (32 out of 77) or between 1 and 3 (33 out of 77) far fewer have between 3 and 5 children (only 12 out of 77).

**Table 7.4.5 : Number of Dependents Reported by the Sample**

Number of Dependents		Students	Staff	Mediapersons
Children	none	27	3	2
	less than 3	24	7	2
	between 3 and 5	6	5	1
Immediate family	in the village	27	1	1
	in Dar-es-Salaam	9	11	3
	outside Dar-es-Salaam	21	3	1

Although most students tend to have fewer children, as a proportion, they tend to have more dependents outside Dar-es-Salaam. On the contrary, most of the teaching staff members and journalists tend to have children and also to have their immediate family in Dar-es-Salaam. In this connection, it must be noted that the family members of respondents, while unemployed formally and hence technically dependent on the respondent's income, often supplement the family income by informal sector activity. This aspect is discussed in detail later.

Informal Sector Activity : All occupational categories seem to have reasons to indulge in informal sector activity because neither salaries nor student stipends were deemed sufficient to cater to even basic economic needs. The informal sector activities reported by the respondents themselves, presented in Table 7.4.6, shows that there is a marked difference in the nature of informal sector activities undertaken by the staff, students and the journalists. The main informal sector activity reported by the students in the sample is to act as interpreters for research workers and for aid agencies. The second most important is to work as urban household help or as errand boys for families of aid workers. Most staff members on the other hand work as part-time journalists. Another popular secondary activity is small-scale urban farming, usually in their back gardens on the University

premises. Interpreting for research and aid workers from abroad as well as hiring out (their) vehicles are the other main activities. Journalists either farm in their own backgardens and sell the produce on the markets or act as guides for companies who take foreign tourists on safaris in the national parks and game reserves.

**Table 7.4.6 : Informal Sector Activity Reported by the Respondents**

Informal Sector Activity	Number of Respondents Undertaking Activity			Number of Respondents whose Family Members were Undertaking Activity		
	Students	Teaching Staff	Media-persons	Students	Staff Members	Media-persons
Small scale trading	3	-	-	6	2	2
Small scale urban farming	2	6	2	5	3	1
Poultry-keeping	1	3	-	2	3	-
Dairying	1	-	-	1	2	-
Journalism	6	9	-	3	-	-
Domestic labour	11	-	-	19	5	1
Transport and vehicle hiring	1	2	-	2	3	-
Guides for safari companies	7	-	3	-	-	-
Interpreting	19	3	-	2	1	-
Hair braiding	1	-	-	6	2	1
Kiosk-vending	5	-	-	6	3	1
Casual agricultural labour	-	-	-	19	2	1
<b>Totals</b>	<b>57</b>	<b>23</b>	<b>5</b>	<b>60</b>	<b>24</b>	<b>7</b>

*Note* : Respondents listed more than one informal sector activity carried out by their family members.

Usually, however, the income earned by such activities by the respondents is supplemented by income earned by others members of their immediate family, also presented in Table 7.4.6. Again, there is a difference in the profile of informal

sector activity undertaken by the family members of the three broad categories of respondents. Families of students are mainly employed in agricultural labour (19 out of 60), followed by domestic labour (9 out of 60), small-scale trading, hair-braiding and kiosk vending (all 6 out of 60). Families of staff members, however, are mostly engaged in domestic labour (5 out of 24), small-scale urban farming, poultry-keeping, transport and vehicle hiring and hair-braiding (all 3 out of 24). Families of these mediapersons, on the other hand, are mostly engaged in small-scale trading (2 out of 7), small scale urban farming, domestic labour, hair-braiding, kiosk-vending and agricultural labour (1 out of 7 in each).

## 7.5. Responses to Economic Liberalisation

The responses of the sample to various SAP measures are presented in three Tables below, the first detailing the responses of the students, the second those of the teaching staff and the third those of the mediapersons. In the case of the mediapersons these responses are substantiated by articles published in newspapers.

Table 7.5.1 : Responses of University Students to SAP Measures

SAP Measures	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Private property rights	29 (50.87%)	1 (1.75%)	3 (5.26%)	24 (42.10%)
Price decontrol	-	-	15 (26.31%)	42 (73.68%)
New cooperative societies	57 (100.00%)	-	-	-
More imported essentials	20 (35.08%)	9 (15.80%)	11 (19.30%)	17 (29.82%)
More imported luxuries	-	18 (31.58%)	18 (31.58%)	21 (36.84%)
More second-hand clothes	18 (31.58%)	3 (5.26%)	7 (12.28%)	29 (50.88%)
User fees for education	-	5 (8.77%)	1 (1.75%)	51 (89.47%)
User fees for health care	-	-	3 (5.27)	54 (94.73%)
Govt control of salaries	7 (12.28%)	9 (15.80%)	13 (22.81%)	28 (49.12%)

*Note* Percentages are to the total sub-sample of 57 respondents

Table 7.5.2 : Responses of University Teaching Staff to SAP Measures

SAP Measures	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Private property rights	2 (13.33%)	4 (26.67%)	5 (33.33%)	4 (26.67%)
Price decontrol	2 (13.33%)	6 (40.00%)	6 (40.00%)	1 (6.67%)
New cooperative societies	12 (80.00%)	3 (20.00%)	-	-
More imported essentials	-	-	6 (40.00%)	9 (60.00%)
More imported luxuries	-	-	6 (40.00%)	9 (40.00%)
More second-hand clothes	6 (40.00%)	5 (33.33%)	4 (26.67%)	-
User fees for education	-	1 (6.67%)	2 (13.33%)	12 (80.00%)
User fees for health care	-	-	1 (6.67%)	14 (93.33%)
Govt control of salaries	-	2 (13.33%)	5 (33.33%)	8 (53.33%)

*Note* Percentages are to the total sub-sample of 15 respondents

Table 7.5.3 : Responses of Mediapersons to SAP Measures

SAP Measures	Strong Approval	Tolerance	Mild Disapproval	Strong Disapproval
Private property rights	3	1	1	-
Price decontrol	1	1	1	2
New cooperative societies	3	2	-	-
More imported essentials	3	2	-	-
More imported luxuries	1	2	2	-
More second-hand clothes	4	1	-	-
User fees for education	-	2	1	2
User fees for health care	-	-	2	3
Govt control of salaries	-	3	2	-

*The re-introduction of private property rights* : As mentioned earlier, private property rights for a wide variety of economic resources were abrogated by the state during the wave of nationalisations in the late 1960s following the Arusha Declaration on Socialism and Self-Reliance. The issue of the re-introduction of



private property rights in land had sizeable proportions in support of and against among both the students and the staff members. As Table 7.5.1 shows, while 50 percent of them approved strongly, just over 40 percent of them disapproved strongly. Similarly, among the staff, 40 percent approved of the measure, 16.67 percent strongly, 60 percent disapproved and 26.67 percent strongly. The mediapersons, on the other hand, were almost unanimously in favour of the measure, with only the journalist from the government-owned *Daily News* expressing mild disapproval. Overall, 52 percent approved and 47 percent disapproved.

Among the students, the rationalisation for the support was on two counts: first the possible future benefits from succession (especially among those whose families operated land in their villages); and secondly, a feeling that it is better to try and legalise the vast informal economy that operates by assuming private property rights over what is really public resources rather than to try and control it through government 'crackdowns' and 'Mremaism'.<sup>75</sup> The disapproval for the measure came largely from students who were ideologically committed to the values espoused by the Arusha Declaration. Incidentally, they were also highly critical and skeptical about the motivations behind the Zanzibar Declaration of 1990, which overturned several of the tenets adopted in Arusha. The teaching staff who approved of the measure appeared to be motivated more by the pragmatic considerations of their deteriorating economic situation and the need to undertake informal sector activity to supplement household incomes. As mentioned earlier, these activities included poultry-keeping, dairying, farming and operating vehicles for hire - all of which require private property rights to justify the operators' claim to the income from these activities. The disapproval of this measure was, again, on ideological grounds but the specific reasons differed from those quoted by students. In the place of almost unreasoned espousal of socialist principles, the staff felt that the implications of private ownership would have worse consequences for income distribution and inequality generation which might outweigh any immediate and transient advantages that the measure might bring. The mediapersons, however, gave greater weight to the positive aspects of the measure although one journalist felt that

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<sup>75</sup> See chapter 4 for details on the methods of the current Home Minister Augustine Mrema, who has been conducting a vigorous anti-corruption campaign for the government.

the CCM had been forced into this defensive posture by the international donor community.

*Increase in prices of essential commodities* : The students were unanimous in their disapproval for this measure, with nearly 75 percent voicing strong disapproval. The teaching staff and the mediapersons however, were almost evenly divided, but with marginal advantage going in different directions in the two cases.

Students were quite passionate about the measure and almost refused to see any logic in the measure. A lot of the passion appeared to be prompted by the sharp declines in their subsidies and allowances in the 1980s. The few who appreciate why the government felt it needed to decontrol prices felt that it could have been avoided or done without affecting the access of the poor to basic needs. This, they claim cynically, is a manifestation of the indifference with which the government has swallowed what it itself said was the 'bitter pill'. Instead of protecting the poor, the *wabenzi* in the government has only safeguarded its own position while simultaneously selling out completely to the IMF.

The staff members who accepted the measure did so only on the ground that it was a step necessitated by the fact that there were no other options open to the government. Those who approved felt that if even essential commodities became unavailable it would push the liberalisation process by forcing people to explore new entrepreneurial avenues.

Among the mediapersons, the strongest disapproval came interestingly from members of the independent press who felt, like the students, that this showed the extent of the government's disregard for the common man and also of the government's 'passive acceptance' of IMF conditionality. But along with the emphasis on the effect of the measure on the poor, there was realism about the government's hands being tied. The strong approval for the measure was on the grounds that it was part of a process to 'get the economy on its feet'.

*Formation of new cooperative societies* : There was unanimously strong approval for this measure from the students and members of the teaching staff and strong approval from the mediapersons as well. The strong approval of the academic

community was because they saw it as part and parcel of a process of independence from the CCM of other University staff and student organisations. As seen in section 7.3 above, a major preoccupation since the banning of the several student organisations in the University has been the revival of democratic student politics. They also felt that this measure could be the forerunner to multiparty politics in the country.

The staff, who were deeply aware of their decade-long struggle for a democratic and independent staff association of their own in the University, perceived this measure as providing the grounds for freedom and independence from the CCM. However, the 20 percent who only approved mildly, or tolerated the measure, did so because they were skeptical about possible manipulation by certain economically powerful vested interests. But even they felt that the possibility of having a collective voice separate from the CCM was a better state of affairs.

The strong approval among the mediapersons came from the independent press, who perceived a link between this measure and the beginning of multiparty politics in the country. However, there was caution from other quarters of the press about the possibility of the emergence of disruptive and discriminatory groupings on the basis of tribal, religious and other divisive factors.

*Increased availability of imported essentials* : There was a strongly divergent response from the three sections of the sample on this issue. While there was unanimous disapproval for this measure among the teaching staff, there was an almost equal division of the student respondents on this issue and almost universal approval from the mediapersons.

The disapproval from the members of the academic community was based on the argument that such imports will dampen possibilities for indigenous entrepreneurial initiatives. Thus they acknowledged that such imports would have an immediate positive impact of alleviating the acute shortage of affordable essential commodities, it would not help the nation in the long-run. Some others noted that "due to poor administration, control and corruption, some importers evade proper duty and sales tax payments, which causes an unfair competition to local producers who pay sales tax". Regarding tax evasion, they claimed that it was continuing

unabated and "correct taxation was only exercised on salaries and wages". Further, they stated that "private companies could not be appropriately taxed due to underreporting of sales and profits".

There was, nevertheless, also the feeling that the country's self-reliance was being compromised. One section of the teaching staff surmise that the success of SAP (if at all) is minuscule and unsustainable since "dependence on foreign aid is more than ever before" and anyway "such grants cannot last indefinitely". They also note that government finances were still in a precarious position with the budget still recording deficits and implying that foreign funding to the government budget has not been sustainable in the medium and long terms. And further, they feel that this assistance be withdrawn at anytime, as indeed had happened in the past.

The approval from the mediapersons was largely because of this positive impact on the immediate economic situation, while the students espoused both views in almost equal proportion.

*Increased availability of imported luxuries* : The staff members were unanimously against this measure, with 60 percent disapproving strongly, while more than 60 percent of students disapproved, a third of them strongly. On the other hand, none of the mediapersons disapproved strongly of the measure, and although some expressed reservations, the rest approved. The reasons are, however, more clear cut in this instance. The disapproval was on three grounds: first, the ideological disapproval of conspicuous consumption; secondly, the disapproval of relying on foreign commodities; and thirdly, the reduction of positive need-based incentives for domestic production. Alongside, the influx of non-basic consumer goods like cosmetics into the market is seen as 'maladministration'. In this connection, they see Home Minister Mrema's policy of cracking down on corruption and saboteurs as possibly adequate as a short term measure but they are cynical about its sustainability. The approval for the measure is basically because of the chance it provides to improve one's standard of living given the extreme shortage of consumption commodities of comparable quality.

*Increased availability of second-hand clothing* : Students and staff members were divided on this issue. While nearly two-thirds of students disapproved of this measure, nearly 50 percent strongly, about 75 percent of the staff members approved, many strongly. Mediapersons, on the other hand, were unanimously approving, a majority strongly.

The main reason for the disapproval from the students appeared to be grounded in an ideological rejection of 'hand-outs' from richer foreign countries. The others, like the staff and the mediapersons, were approving because of the relief these commodities provided in an economic situation which made new clothes either unaffordable or simply unavailable.

*The re-introduction of user fees for education* : There was all round disapproval for this measure although some were prepared to be tolerant. The staff noted that the earlier government policy objective of Universal Primary Education was being sacrificed as was evident from the neglect of the education sector in general. The imposition of fees would further alienate the poor, whose children were already suffering from deteriorating quality of teaching in schools. This 'cost sharing', they argued, only meant a greater burden on parents already bogged down by the effect of other SAP measures on their economic welfare. Both staff and students pointed out that the cost-sharing was not linked to any increases in the budget for education or any positive investment in the education sector, which was seeing a continued deterioration.

*Introduction of user fees for health* : The University teaching staff, students and the media disapproved unanimously, and quite strongly, of the imposition of user fees for health care. The mediapersons noted that Public Health experts meeting in Harare in July 1991 had said that structural adjustment programmes had "limited [the poor's] access to health services essential nutrition and had led to increased malnutrition and childhood mortality" (*Family Mirror*, No. 59, July 1991). The teaching staff quoted experts who emphasised that malaria, AIDS, cholera and tuberculosis had were major diseases threatening the area, and the poor would be the worst hit. They also noted that with the economic hardship, pharmacists were selling

drugs without prescriptions, often in the wrong doses and without any qualms about quality control, this last because the WHO Essential Drug List ratified by the Tanzanian government could not be operationalised. They also pointed out that often government dispensaries ran out of essential drugs because these were being illegally sold on the black market because of the scarcity in the open market. This compounded the problem of access to adequate health care of the poor. One of the Professors felt that the government's acknowledgment of this state of affairs is obvious since the mid 1980s when the Ministry of Health in Tanzania allowed government employed medical officers to utilise after-office hours to do private practice in private hospitals and towns - an admission by the government that the salaries that they paid were meagre.

Students disapproved of the measure stating that several family members had died of malaria, cholera and other undetected ailments because they had been misdiagnosed and also because they could not afford the drugs even if they were available. They further observed that with liberalisation, a number of pharmacies had opened up but often fake and out-of-date medicines were being sold as there was no quality check and, in addition, drugs were readily available across the counter even without a doctor's prescription. In such a situation, the imposition of user fees in a climate of considerable economic hardship has only decreased the access of the poor to adequate and safe health care services.

The *Daily News* respondent pointed out that acute shortages in the health and education sectors was acknowledged by the Minister of Finance himself in his 1988-89 Budget speech where he said despite "a lot of effort", these sectors "could not be salvaged". Further he claimed that "the provision of services, particularly in water, education and health were ... adversely affected by the lack of equipment and tools and wrongdoings of all kinds emanating from the persistent shortages of foreign exchange" (quotes from *Daily News*, 1st June, 1989).

*Government control of salaries* : Over 60 percent of the students disapproved of this measure although a minority among them even approved strongly, while among the staff, more than 80 percent disapproved, a majority strongly. Among mediapersons,

however, this issue was not very important for the obvious reason that journalists and broadcasters in the government media sector were being paid anyway directly by the central government while journalists in the private independent press were not paid by the government at all.

Among the students, the disapproval was because their allowances had been steadily diminished in real value through the 1980s and was, by 1991, quite inadequate (see section 7.3.3). The teaching staff, similarly, had seen a steady deterioration in the purchasing power of their salaries. Consequently, they were strongly against any move by the government to freeze or otherwise control the rise in their salaries. Further, they stated that any increases granted in nominal terms was almost invariably a decrease in real terms by the time of implementation. In addition to the adverse effects of inflation, income tax took away a substantial part of their nominal salaries. But not only is their income level lower in absolute real terms, they are lower in comparison with the earnings of those who have gained from economic liberalisation. They point out that income disparities have increased and wealth was getting concentrated in the upper income groups. And that trend, they felt, could create social and political problems of its own.

*An Overview of the Responses* : The responses of sample to the certain measures of the Structural Adjustment Programme can possibly be delineated in three ways. Firstly, there is a clear section of respondents who appear to be committed to the party ideology. However, they are critical and cynical of party support to several SAP measures which appear to run counter to ideological principles. As the following section details, there does not seem to be a direct correlation between party membership and support for government policies. Thus, the only basic difference between the responses of party and non-party members, who are guided by a variety of personal and larger arguments, to specific measures of the government's Structural Adjustment Programmes is that party members seem to be guided by the ideological principles that the party itself appears to have abandoned.

Secondly, those who approved or disapproved of any measure did so for different reasons, ranging from the effects on personal well-being to larger considerations of the future effects on the country's welfare and for the welfare of

other groups in society. There is, thus, a split between those who approved of the measures with immediate positive implications for their own economic welfare and those of the others - and similarly disapproved of those measures with negative implications - and those respondents who were willing to consider a larger perspective on the various measures. This division has important implications for the course of future action, in particular, corrective action as well as the structure of any protest movement against existing government measures.

Finally, although there seems to be considerable unanimity in the political responses of the three different sections of the urban Tanzanian intelligentsia considered here, there is also a fairly clear divide between the academic community and the members of the country's mass media sector. It would appear that more of the former consider the implications of SAP measures for individual welfare within the larger context of social welfare. That is to say, most journalists appear to be openly critical of only those SAP measures with obvious disadvantages to immediate public *and* personal well-being. On the other hand, the academic community appears to be willing to be openly critical of even measures that might provide immediate though temporary relief.

Overall, however, this section of urban Tanzanian society appeared to be more willing to discuss, debate and act on issues of national significance than the other sections considered so far. And, interestingly, such vehement responses are despite the series of repressive actions towards the academic community. But, unlike the academic community, it is the mass media sector that has been able to actually break free from government restrictions and establish an independent press. Going by the intensity of feeling among the academic community, however, it would appear that similar developments could well result for this section of the intelligentsia as well. But the differences in outlook, reasoning and motivation could, in the final analysis, impede the development of a unified protest movement from within the intelligentsia.



## 7.6. Perspectives on Political Liberalisation

Since membership of the single party would appear to be a fairly important factor in determining or at least indicating the nature of political responses of the sample, the proportion of party members is presented in Table 7.6.1 below.

Table 7.6.1 : Proportion of CCM Members in the Sample

Category of Respondents	Total Number of Respondents	Number of CCM Members (%)
University students	57	21 (36.84%)
University teaching staff	15	3 (20.00%)
Mediapersons	5	2 (40.00%)
Total	77	26 (33.76%)

It must, however, be clarified that this is probably an overestimate of those within the sample who believe in the party ideology. Several respondents, especially the teaching staff, did not immediately reveal that whether or not they were party members, only admitting it under direct questioning or mentioning it inadvertently. Many of these respondents also clarified that they were distancing themselves from direct association with the party, such as purely party-affiliated organisations and further, that they do not wish to renew existing party membership.

The 36 students who stated that they are not CCM members also acknowledge that they have been members in the past. The decision not to renew their membership is because they no longer wish to be associated with it. In fact, they also state that they joined the party not out of a belief in the party organisation and ideology but almost as the natural course of events. Of the 21 students who state that they are CCM members, nearly 60 percent openly admit that it is more for 'pragmatic' reasons than for any other reason. Interestingly, however, student members of CCM are more critical and cynical about the way in which the single party operates than non-members and claim that they have 'seen it from within'.

Thus, contrary to initial expectations, party membership does not appear to play a major role in the political opinions voiced by the sample, and no correlation

is apparent between party membership and support for party policies and actions.

On the question of multiparty politics, more than 85 percent of students express a desire for a pluralist set up in preference to the current single-party political setup which, they feel, had become increasingly 'complacent' over the years with little accountability and feel for the important public issues.<sup>76</sup> They thus feel that a multiparty system would perhaps be more democratic, would lead to a better government with better policies and policy implementation because of the political pressure that opposition parties would be able to bring to bear on the government. They also feel that such a pluralistic political system would provide greater public accountability which would help to curb the "lazy, inefficient and corrupt leadership". They are however 'concerned' about the possibility of regional, ethnic and class groupings that could emerge in the form of different political parties.

Although the teaching staff in the University of Dar-es-Salaam are positive about multipartyism in Tanzania, they are wary about the possible political and economic effects. They feel that multiparty debates in Tanzania are beginning to reveal that most of the people championing them are the urban elite and the business classes. The latter, they feel, is more likely to align themselves with the 'outside forces' in search of what these business classes see as 'democracy through multipartyism'. Around 70 percent of the teaching staff see the impetus for the multiparty system as merely the desire of groups to form parties which can ultimately take over the control of government and thus reap the political and economic benefits of government rule. Several of the opposition leaders, they feel, are merely disgruntled former CCM members who, failing to secure political power within the single party, were now trying to gain political power from 'outside'. They also feel that multipartyism appeared to be a 'fashion' being imposed by the West, after the changes in Eastern Europe, on other countries without multiparty democracy. They thus feel that it is unfortunate that multipartyism should be taken

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<sup>76</sup> For instance, in the context of education, they reported although they were fully aware of the financial constraints operating on the government, the government was not interested in listening to any alternative proposals from the students. Regarding the issue of cost-sharing - wherein the government was reducing student allowances and expecting students to make up the shortfall - they stated that their memorandum to President Mwinyi of an alternative loan-scheme, repayable in instalments by their future employers, had no tangible response even several months afterwards.

as a blueprint for political liberalisation and democratic processes and claim that "it would be naive to believe that multipartyism would necessarily result in democracy". However, they agree that the present state of affairs is unsatisfactory and change is certainly preferable to continuity.

The members of the independent press within the mass media sector are unremitting in their criticism of the CCM government and its policies. In the context of the general public opinion on multipartyism - including the recently concluded nation-wide Nyalali (Presidential) Commission on Multipartyism, they feel "it is a myth that the CCM is encouraging the citizens to air their opinions openly on the pros and cons of the multiparty system." The second issue of the *Family Mirror* in July 1991, traces the victimisation and 'transfers' of Professors Baregu and Kweka and Dr. Chachage of the University of Dar-es-Salaam because of their criticism of "those in power". The *Business Times* (12th July 1991) feels that the issues raised in the 1990 crisis, debated in public in UDASA's Workshop on Academic Freedom and Social Responsibility, are widespread and the events on the University could be seen as a microcosm of activity within the country as a whole (see, in particular, section 7.3.3 above). Overall, they feel strongly that political change is not only desirable but a viable option as well.

To conclude, it would be fair to say that both positive and negative factors are responsible for the widespread support within the sample from the country's intelligentsia for the idea of multiparty politics. Among the positive factors are the potential benefits of possibly better government, more people-responsive and people-oriented policies with better implementation as well as greater public accountability of government officials. These, however, were more ideals they hoped for than realistic expectations, although the extent of realism appeared to vary among the respondents. Some students and mediapersons believed that the change in political system would bring improvements almost automatically while the University teaching staff were much more guarded about the prospects. Among the negative factors, however, there is closer agreement within the sample with near unanimous dissatisfaction with the performance of the current government. But with the prospect of multiparty politics growing stronger, there is greater questioning of the

nature of pluralist politics and its possible dangers. And those who have examined these seriously find considerably less to be enthusiastic about.

### **7.7. Conclusions : The Political Responses of the Intelligentsia**

The three sections of the urban intelligentsia considered here, comprising the University students and teaching staff and the mediapersons from the government and the private mass media sector are quite vocal about their responses to the two issues of economic liberalisation and multiparty politics.

On the former issue, the three main features of the responses of the sample are: the disapproval of the ideologically-committed, marked differences in the reasons for approval and disapproval, and the disapproval of some of the academic community for measures that might provide immediate though temporary relief and may have adverse consequences for future national and societal welfare.

On the latter issue, there was unanimous dissatisfaction with the policies of the single-party state and its methods of operation, including policy implementation it undertook and the other issues it failed to act on, but the academic community's support for the alternative multiparty system was qualified. This was largely because of factors underlying the emergence of various opposition politicians and their support bases as well as the direction of potential policy change. An important and clear opinion was that the merits of multipartyism was not so much in terms of the obvious 'democratic' principles that the West felt were lacking in the present set-up but the potential for greater accountability, better policies and better implementation that the mere presence of an opposition party might generate. It is in this connection, that several members of the academic community expressed reservations given the nature of the debate on the multiparty system, the types of political actors it had thrown up and the motivations behind such activity. Democracy was necessary, but it might not provide all that they wanted. Indeed, it would appear that if they had all they wished from the single-party state, support for multiparty politics might be substantially weaker.

The questions that these responses raise of course are the nature of the contemporary Tanzanian state, the pressures for reform and change that are being shaped by government action and inaction on the economic and political fronts, and the potential of this pressure for further reform. These questions are addressed in the next chapter.

## Chapter 8

### **Political Responses in Perspective : Structural Adjustment, Civil Society and State in Contemporary Tanzania**

#### **8.1. Introduction**

The trends in the political responses of urban Tanzanians discussed in the three previous chapters have to be placed not only in conjunction with each other but also in the perspective of the larger dynamics of state-civil society relations in Tanzania. This chapter attempts to provide this synthesis and also to draw some tentative conclusions regarding the implications of these political responses for the future implementation of SAP policies and for the nature of the state in the Tanzania to come.

The chapter begins (in section 2) with a brief discussion of the major characteristics of the post-colonial state in Tanzania before discussing the validity of various factors mentioned in the literature as affecting government commitment to reform, in the specific context of Tanzania. It also briefly describes the macro-economic performance of Tanzania since the IMF-sponsored reform started in 1986.

The third section evaluates the political responses to the two issues of economic liberalisation and political pluralism, drawing from the three previous chapters, and the latest developments in political pluralism, before going on to state the possible political action in response to the reform process in Tanzania.

A final section (section 4) discusses future scenarios for economic and political processes of reform in contemporary Tanzania. It suggests that a continuation of the processes of 'disengagement' from the state and informalisation of economic activity could, by withdrawing scarce resources of human capital, threaten the economic growth that Structural Adjustment aims to foster within Tanzania, almost irrespective of the nature of the political process.

## 8.2. The Tanzanian State and its Commitment to Economic Reform

### 8.2.1. The Post-Colonial Tanzanian State and Structural Adjustment

Three phases of development of the post-colonial Tanzanian state can be delineated. In the first phase, till the Arusha Declaration, like most newly-independent African governments, Tanzania provided a variety of resources, jobs, low or subsidised prices for basic foods and preferential access to government projects to favoured constituencies.

But after this first phase, and following the nationalisations of the late 1960s, if the 'overdeveloped' post-colonial Tanzanian state grew 'soft' and progressively 'weaker', it grew more and more authoritarian and coercive as well. The increasing control imposed by the one-party state has been termed the 'statisation' of the economy and of civil society by Kiondo (1992).

The third phase following the onset of the economic crisis of late 1970s ushered in a period of withdrawal of the state from its hegemony over economic power within the country and the rise of civil society.<sup>1</sup> This led, in the early 1990s, to the political liberalisation of civil society from state hegemony with the establishment of independent civil organisations and multiparty politics in the country. But before discussing this development, the role of structural adjustment itself on state-civil society relations has to be briefly discussed.

Not surprisingly, the major impacts of SAP on the post-colonial state in Tanzania have been to reverse its 'softness'<sup>2</sup> and its 'overdeveloped' and 'statist' nature, by eliminating public subsidies, selling off loss-making parastatals and streamlining its bureaucracy. This led naturally to the reduction of state resources available to maintain patronage relations between the state and civil society which, along with the economic hardship imposed by the 'austerity' measures of SAP, could directly threaten the political legitimacy of the ruling classes. There has, however,

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<sup>1</sup> See Chabal (1992) for a discussion of the pursuit of economic and political hegemony by the state and the resistance offered by civil society to this process.

<sup>2</sup> The Tanzanian state was held to be soft in section 3.3.3 in that it carried managerial inefficiency and chronic loss-making units in its public sector.

been little evidence of volatile political response from the Tanzanian citizenry in the urban areas.<sup>3</sup> Although why this has been so is an interesting question in its own right, a more relevant question from the present perspective is whether or not this state of affairs can be expected to continue. If it does, the impact on civil society of the structural adjustment policies that have already been implemented may not threaten the implementation of the remaining policies of structural adjustment in the future. But if civil society reacts adversely to SAP and its policies, it could threaten the future implementation of SAP and the political legitimacy of the current leadership.

Since SAPs aim to eliminate or at least to significantly curtail government's ability to offer patronage advantages to their constituencies, from the political leaders' perspective, SAPs with their conditionalities create a volatile political climate. With little or no short term benefits, the political leaders who are significant now would be among the last beneficiaries of the programme.<sup>4</sup>

Although, initially the World Bank approach was to financially support authoritarian reform-oriented governments to enable them to overcome the short-term domestic pressures expected from the aggrieved urban coalitions (Toye, 1992; and Beckman, 1992), with the rise in political resistance, a plethora of food riots and such public protests, the efficacy of (even) authoritarian regimes in implementing SAPs is being questioned (Haggard and Kaufman, 1989).<sup>5</sup> But before discussing the potential for political response to structural adjustment from urban Tanzania, it is interesting to look at two issues that have been actively discussed in the recent years: firstly, why governments with much to lose by way of patronage power opted for structural adjustment in the first place; and secondly, why some reform programmes

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<sup>3</sup> See chapter 4 for a discussion of the urban bias in the formulation of SAP. Bratton and van de Walle (1992) find that Tanzania is one among seven countries (along with Guinea, Guinea-Bissau, Madagascar, Cape Verde, Somalia and Sao Tome and Principe) in which political elites dispensed economic reform in the absence of significant domestic protest.

<sup>4</sup> Although there are certainly those who gain from SAP in addition to those who lose, Herbst (1990) rejects the possibility of gainers acting to protect their interests against the state and its traditional allies, and feels instead that leaders will have to repress former clients in order to implement adjustment programmes.

<sup>5</sup> For a contrary view, see Jeffries (1993).



grind to a halt while others are sustained. Although it is the second question that is of more current relevance, the first is, as discussed below, organically connected to the second.

### *The Motivations for Reform and its Sustainability*

Perhaps the most thorough and comprehensive analysis of the first question has been the collaborative research effort of Nelson (1989), Nelson (1990) and Haggard and Kaufman (1992). They advance three possible sources of the motivation for governments to reform. First is a 'general interest in system maintenance' especially in the face of economic crisis - which threatens the ability of elites to extract revenue, to acquire foreign exchange and to spend in pursuit of economic and political goals. However, this is rejected because empirical evidence shows that the mere onset of crisis cannot reliably predict the actions of governments, with crises varying in terms of intensity, timing and character and government responses varying accordingly.

The second factor they consider is 'compatibility with the country's organisational capacity', i.e., governments adopt SAP because they are able to implement it. However, they consider this also unsatisfactory since data shows that even governments with a low level of bureaucratic competence have opted for reform.

The third explanatory factor is the acceptance of the logic and philosophy of structural adjustment by the ruling elites. Although Haggard and Kaufman acknowledge that it is difficult to pinpoint this process precisely, they conclude that the growing perception of the limits of state intervention has been a major factor in the adoption of reforms by the ruling elites in many developing countries.

However, Jenkins (1995) disagrees with both the 'economistic' tone of their analysis and the 'narrow view of politics' that it entails, suggesting that the effect of social changes on political action is an important player in this process and one that the analytical framework advanced by the authors above do not even consider. Jenkins argues, using the case study of Indian liberalisation, that a distinct and plausible argument could be made that economic reform has been adopted by

governing elites as one part of a political strategy to win back political support. Stating that the economic crisis may be a 'limited' basis for initiating reform, he asks whether the crisis may not have been "the result of a mounting disjuncture within the *political* system that was not simply a reflection of poor economic performance". And further, whether or not "relatively autonomous executive elites might consider economic adjustment an *instrument* with which to confront political problems of more than a short-term nature?" (*ibid*, p. 10).

In support of his hypothesis, Jenkins (1995) argues that there may have been a stage, pre-reform, when the ruling elites felt that the ability of the government to win elections was declining despite ever-increasing patronage expenditure. Given this, a potential motivation for reform might be the desire to "[re-engineer] the [political] system for stability and flexibility" (*ibid*, p. 12) through the concrete benefits that such reform might bring - and in spite of the loss of "several prominent tools of building a political base" (*ibid*, p. 13).

This perspective informs the second question, that of the sustainability of reform. Nelson, Kaufman and Haggard define 'successful' implementation of reform as the continuation and consolidation of the various policies of structural adjustment. To Mosley, Harrigan and Toye (1992) (see Chapter 2), neither the intensity of prior crisis nor the degree of authoritarianism of the implementing government are significant factors in the implementation of reform but the newness of the government, the political dominance of pro-reform groups in the government and the quality of the administrative bureaucracy are significant factors. Jeffries (1993) argues that successful implementation requires reform of existing political institutions in African governments to create a "relatively autonomous, coherent, capable, technocratic and developmentally committed state bureaucracy" (*ibid*, p. 25).

Jenkins (1995) however argues that the actual implementation of reform depends more crucially on the relationship between political action by the government and the social changes that it engenders. Pursuing his argument in answer to the first question and argues that if political goals are the ultimate objectives of the ruling elites for going in for reform, then, "they are likely to have their own ways of deciding when these objectives have been met" (*ibid*, p. 19) - irrespective of the economic goals of the structural adjustment programmes.

Before going on to discuss whether or not these hypotheses hold in the Tanzanian context, it is useful to briefly review the actual macro-economic performance of the Tanzanian economy after the onset of economic reform.

### *The Fruits of Economic Reform*

There have been two evaluations of structural adjustment in sub-Saharan Africa by the World Bank, one in 1990 and the other in 1994.

The Report of 1990 (World Bank 1990) mentions that industrial capacity utilisation has increased from around 25 percent to 38 percent between 1987 and 1989, while there have been substantial increases in official purchases of the main food crops (quoted in Gibbon, 1992, p. 148). However, there are offsetting negative results, including a fall in recorded production of all major manufactured commodities (except cement and soap), a stagnation or fall in the production of crops other than cotton, imports rising faster than exports resulting in an increase in the current account deficit from US \$ 397 million in 1986 to US \$ 841 in 1989 and an increase in domestic inflation at an annual rate of about 30 percent during the programme period (*id.*).

According to the 1994 World Bank Report (World Bank, 1994), six countries - Ghana, Tanzania, Gambia, Burkino Faso, Nigeria and Zimbabwe - have made 'large improvements' in the period following Structural Adjustment (i.e., 1986-1991) as compared to the preceding period (1981-1986). The criteria used to judge their economic performance are "reductions in the fiscal deficit, money supply, inflation rate, real effective exchange rate and parallel market premium on foreign exchange, and increases in public revenue" (Rimmer, 1995, p. 109). Average per capita Gross Domestic Product (GDP) for these six countries increased at an average rate of 1.8 percent (although Burkino Faso and Gambia showed decreases in the annual rate of growth) while that of Tanzania alone grew at 2.7 percent.

But despite this performance the 1994 Report still classifies Tanzania as 'poor' at the end of 1991. The positive growth rate till then also conceals adverse performances on other fronts: of these countries, Tanzania had the sharpest fall in savings between these periods. Also, despite 'resolute action' in implementing

reforms since 1986, Tanzania is acknowledged to have "retained even more loss-making parastatals, depended heavily on foreign aid for its budgetary expenditure, still had an overvalued official exchange rate, had failed to liberalize trade in its traditional exports, and experienced little return on investment" (Rimmer, 1995, pp. 11-12).

The 1994 Report stresses two propositions: first that adjustment in Africa is still not robust - "while macro and trade policies have improved, little progress has been made in privatising state enterprises, reforming the financial system and improving management of the public sector" (Rimmer, 1995, p. 13); and second that adjustment alone cannot provide sustained economic growth.

The two main reasons for this performance according to this latest Report are politics - resistance of vested interests, administrative decay, pervasive clientele politics, and the parastatals - and the poor design of the adjustment programmes, particularly the sequence of the policies implemented. Further, external aid has had negative side-effects, serving to cushion implementing governments from the hard decisions that liberalisation inevitably entail. But the overall conclusion reached by Husain and Faruquee (1994) of the World Bank is that there has not yet been the global winds of change that were predicted to sweep over the reforming countries.

The perception of the socio-economic and political impact of SAP on the life of the people it is aimed at is crucial to the question of whether or not the implementation of reform will continue into the future - and thus whether or not the hypotheses regarding the sustainability of SAP hold. In the case of Tanzania, as in other countries, this is a question that requires the examination of both continuing government commitment to the economic goals of SAP and the political responses that the implementation of SAP will engender. The questions of government commitment and political responses are discussed separately in greater detail below.

#### 8.2.2. Government Commitment to SAP in Tanzania

Given the detailed description of the events leading up to the formal adoption of the IMF-sponsored Structural Adjustment Programme in Tanzania in 1986, it is clear that there were no larger political machinations behind the move for economic

reform and that it was basically the intensity of the preceding economic crisis that drove the Tanzanian government to the negotiating table. Nevertheless, it is also apparent that the vacillation on the part of the government was not really on account of an inherent disinclination for market-oriented economic activity but merely on account of the pace of such reform and the nature of the conditions attached to the IFI aid package.

It is also clear that there was mounting support for reform from within the administrative bureaucracy despite the public scepticism of the political leadership. Whether or not this support can be called a pro-reform group is however moot. Overall it would seem that the motivations behind the adoption of reform in the Tanzanian case are better described by the analytical framework of Nelson (1988, 1989, 1990) and Haggard and Kaufman (1992) than by the alternative suggested by Jenkins (1995).

The sources of the Tanzanian government's commitment to reform, accordingly, are not located in larger political calculations of the sort analysed by Jenkins (1995) in the Indian context, but in the deepening economic crisis that had prompted the move towards reform in the first place.

While authoritarianism is not quite descriptive of the single-party political system in Tanzania, it is true that at the time of the adoption of SAP in 1986, there was no democracy, as is conventionally defined, in the Tanzanian state. It is also true that the regime entrusted with implementing reform was new in the sense that it was no longer the CCM government headed by Nyerere - a trenchant critic of the IMF-sponsored SAP in Tanzania - but the newly-elected government of Ali Hassan Mwinyi. From the various newspaper articles and public responses surveyed it is also apparent that this new regime had been entrusted with a 'new iron broom' (as mentioned in Chapters 4 and 6), with which not only to sweep away the corruption and inefficiency of the old order but also to take away the economic hardship that had oppressed the country since the late 1970s.

The important question of course is the capability or quality of the bureaucracy entrusted with administering the reform measures. In contrast to the party bureaucracy, the administrative bureaucracy clearly supported the moves for structural adjustment and also displayed a better understanding of the logic and

philosophy of reform, although the economic crisis continued to adversely affect the personal economic situation of most civil servants. There was also a feeling of greater freedom from the diktats of party bureaucrats in the government though it was balanced by the antipathy towards the 're-colonisation' of the technostucture of the government by foreign experts, who had little feel for the nuances of the local socio-economic situation and administrative capability. Basically, however, it is the extensive secondary jobbing in the informal sector that appeared to be affecting the administrative capacity of the bureaucracy rather than any threat of the 'disengaging' state on their future job security.

By the World Bank's own assessment, the years since 1986 have seen 'resolute action' by the Tanzanian government in the implementation of SAP (World Bank, 1994). But in the absence of any evaluation of the extent of 'leakages' from the system or of improving efficiency, it is not quite clear whether or not the bureaucracy has proved adequate at tackling the tasks given to it. Yet it is by no means the case that the civil servants in Tanzania have become the 'relatively autonomous, coherent, capable, technocratic and developmentally committed state bureaucracy' that Jeffries (1993) feels any bureaucracy ought to be in order to successfully implement growth-enhancing structural adjustment programmes.

A significant factor in Tanzania that might be mentioned here is the phenomenon that Toye (1992) refers to as 'countervailing action' by the government, whereby the government, although officially complying with SAP conditionalities, takes other actions which effectively neutralise the effects of SAP policies.

Nevertheless it may well be, as the World Bank Report points out, that the reforms themselves have not been properly sequenced and it may be this poor planning of the liberalisation process that has led to Tanzania remaining poor at the end of nearly nine years of Structural Adjustment.

While the question of whether or not the reforms are properly planned and financed is another issue entirely, the concern here is whether or not the economic reforms continue to be implemented. Or, more specifically, whether or not the consequent political responses from the citizens are adverse enough to threaten the commitment of the government to continue to reform the economy. And this is an issue taken up in the next section.

### 8.3. A Perspective on Political Responses to SAP

This section is divided into four sub-sections. While the first two synthesise the public responses to the two issues of economic liberalisation and political pluralism respectively, the third details recent developments towards multiparty politics in Tanzania. The last section draws these observations together and discusses potential political responses to SAP.

#### 8.3.1. Reactions to Economic Liberalisation

The political responses evaluated in the previous three chapters indicate that there are basically four interacting factors determining the perception of the effects of SAP policies: the impact on personal economic situations; the impact on other groups within the economy; the impact on the sovereignty and integrity of the country as a whole; and the impact on the ideological foundations of *ujamaa* socialism that the single-party continues to endorse officially.

A general feeling, however, is that SAP has been against the interests of the poorer sections of (urban) Tanzanian society in that it has led to the withdrawal of adequate access to health facilities and other social services. Price decontrol has come under wide-spread attack although there were those in the administrative bureaucracy who approved and those among the University staff who were prepared to tolerate it for the sake of future benefits for the country as a whole. Students, however, were vehemently opposed to the measure.

There was, nevertheless, a curious reflection on the impact of user fees for education. While University students were passionately opposed to it, and the University staff and the media were against the measure, the administrative bureaucracy was in support of the measure. The reasoning was the general trend of economic rationalisation that they felt was essential for the future growth of the country. Curiously, there was support for the measure from the formal lower classes, who felt that education being the only way up in the socio-economic ladder, it was worth almost any current cost. But a pertinent objection of the University staff was that these fees were not being channelled back into education.

There was broad approval for the increased availability of second-hand clothes and for imported essentials - largely because of the implications for their personal economic situation, but there were some reservations regarding the measure. The reservations were basically on account of three reasons: ideological disapproval for the sacrifice of self-reliance objectives and for the encouragement of informal sector (smuggling) activity; and objections from the University staff for the disincentive this poses for indigenous entrepreneurship.

Private property rights and the formation of cooperative societies split the respondents into two along lines determined by ideological commitment, past experience and potential profit. While the re-establishment of private property rights was supported by those who saw opportunities for potential profit, the move to form cooperative societies found favour with not just those who saw potential for private profit but also with those who had experienced the inefficiency and inadequacy of the previous attempts at cooperative society formation.

The overall feeling, especially among the informal classes, was that the economic structuring had brought the opportunities for future economic prosperity based on own-effort and hard work. The widening inequality was only rued by the ideologically-committed and the University staff, the others maintaining that since it was the outcome of merit and enterprise.

Also, there seemed to be an acknowledgment that the government was faced with little option but to impose economic hardship through the austerity measures of the SAP. There was hence a willingness to give the government some more time to get SAP working. The reasoning was that the current situation at least had the hope of future gain while the pre-SAP economic crisis period did not. The only signs of active discontent appeared to be within the University student community, but it is, as it has been in Tanzania, fragmented, contextual and without 'spread effects' among other groups within civil society.

A large part of the willingness to 'suffer manage' (Chazan, 1982), however, is probably because the 'suffering' is mitigated by supplementary income from informal sector activity - legal or illegal.

It is this process of 'informalisation' that makes it extremely difficult to generalise about groups of 'losers' from SAP and extrapolating possible political



responses from them.<sup>6</sup> But it is still undoubtedly true that the withdrawal of health facilities and other social services have hit certain vulnerable groups hard. The UNICEF has documented such effects on two groups, women and children, appealing for special consideration in their case. This has also led other writers to focus on compensatory mechanisms and state-support for groups disadvantaged by SAP (e.g. Callaghy, 1989; Nelson, 1989).

'Informalisation', however, is now actively encouraged by the state (after being outlawed in the early 1980s) with several incentives for such entrepreneurial activity.<sup>7</sup> But while it is not clear whether the government requires the units to then be registered and pay taxes, it is clear that the proportion of undeclared informal sector activity is a much larger proportion of total informal sector activity.<sup>8</sup>

An interesting facet of this phenomenon is the link with the formal sector. Informalisation involves spreading risks and balancing alternative sources of income and resources in an integrated structure (Roitman, 1990). Other studies show that although public servants are involved in side-line activities in the informal sector, they perceive government employment as secure and expect salaries to rise in the future. Government pay is seen as an assured minimum and the ability to operate effectively in the informal sector may also depend on the influence, authority and connections derived from formal jobs. Thus the livelihood of informal sector groups is inextricably linked with the activity of formal enterprises (Ng'ethe, 1989 and Chew, 1990).

Although the benefits of SAP may take a while to become apparent and tangible, reforms will become more palatable as the economic benefits begin

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<sup>6</sup> Most writers link specific groups as gainers so as to prove that adjustment programmes actually benefit the majority of the population and that the gains are derived from productive activities that add real value to the national product.

<sup>7</sup> The support is clearly to legal informal sector activity, and not to the other activities that also characterise the Second Economy.

<sup>8</sup> There have been extensive processes of economic informalisation in sub-Saharan Africa. The ILO (1988) estimates that between 1980 and 1985, employment in the informal sector increased at an annual rate of 6.7 percent. The formal enterprise only absorbed 6 percent of the new additions to the labour force in this period, whereas the informal sector absorbed 75 percent. In 1991, the ILO estimated about 60 percent of the African labour force was engaged in the informal sector. Maliyamkono and Bagachwa estimate the size of the Second Economy in Tanzania in the late 1980s to be up to one third of the GNP.

accruing to individuals in civil society. But these can only be additional to the benefits accruing as a result of the current 'state-sponsored disengagement' (Bratton, 1989).<sup>9</sup>

### 8.3.2. Responses to Multipartyism

At the outset it must be mentioned that the focus on the issue of multipartyism is limited in the sense that moves away from the denial by the state of alternative organisation space for civil society include the formation of civil associations. Political pluralism might be a better conceptual focus and more on this set of nascent developments in Tanzanian civil society is outlined in the next subsection.

The political responses of urban Tanzanians to the question of political liberalisation of this sort is closely tied up with their responses to the performance of the one-party state. In this context, there were two clear responses: almost unanimous criticism of the corruption and inefficiency of the CCM government, and widespread approval for the moves to encourage private enterprise. Disapproval came from party ideologues but there was support for SAP since it was now official party policy. There was also some confusion regarding whether SAP was the path

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<sup>9</sup> Further, in the context of African economies, in general, there are a lot of grey areas in which rigid distinctions between state and non-state do not exist: here, the public and the private are sometimes not even separate. It is in this context that the general competition between various groups to maximise the returns expected from these changes in the economic policy that the discredited privileged groups often turn out to be winners. Mamdani's (1976) work on Uganda studies the "state-created and state-protected stratum of big proprietors", popularly known as *mafuta mingi* (who came into existence with the Asian communities' expulsion in 1972 and assumed prominence in Obote's government), have been the main beneficiaries, according to Mamdani, of the liberalisation policies (the open general import licence schemes in trade and the shifts in the bank lending policies). Mamdani's conclusion is that this has led to investment in the commercial and the speculative areas rather than the productive ones. Rosemary Galli (1990), in a study of rent-seeking groups benefiting from these shifts in policy in Guinea-Bissau, feels that the liberalisation programme of 1987 has simply shifted the economic power block from an exclusive 'state-class' to one which now includes merchants and concessionaires but with direct links with the 'state class'. Williams (1990), in a study of Sierra Leone, traces the rise of *ekutay* (an ethnically- based political pressure group) overseeing significant government decisions and key individuals within *ekutay* having flourishing businesses which are basically sustained because of their links with the state. The study of Kenya and Malawi (Mosely, Harrigan and Teye, 1991) traces agricultural interests of the local ruling class being threatened by the decision to dismantle marketing boards, from which rents and taxes were derived. But a more general occurrence is that the repression of the 'rent-seekers' becomes directed against groups which have hardly any representation in the power structure, i.e., the workers, the increasingly-marginalised middle classes and the urban poor.

to *maendeleo* that was promised to the followers of *ujamaa*.

Concerning multiparty politics, there was clear support for such a system, but it was equally clear that this was a negative preference. As Bratton and van de Walle (1992) note, the notion of political pluralism has sparked popular support only in so far as it is the antithesis of the discredited system that has led to the present mess.<sup>10</sup> The call for multiparty democracy seems to signal little more than a general discontent with the political status quo and an urge to try something - anything different.

It is in the ideological and programmatic vacuum that followed from the ethical duality that characterised the moves to economic liberalisation, that opposition leaders raised multiparty democracy as a convenient banner under which to gather inchoate demands for political change.

This last factor has been responsible for a certain amount of wariness expressed especially by the University staff and the party bureaucracy. While there is near unanimous acknowledgment of the unifying role of the CCM, the potential for national disunity that multiparty politics has is currently only a concern for the cautious. However, there is acknowledgment that it is power-hungry political opportunists and disgruntled former CCM members who spearhead the movement for full-blown multiparty politics.

The question really is whether the CCM is able to make the transition from single-party to majority-party smoothly. And the recent developments in Tanzanian political structuring provide some indications in this direction.

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<sup>10</sup> They quote a news analyst in *Africa Confidential* (July 27, 1990) : "Many Africans are now so poor that they are prepared to back virtually any demand as long as it implies change. More political parties? Fine, as long as something changes. This may not be sophisticated, but it is natural that the poor should reason thus and that opposition politicians hungry for poor should exploit it". It is in this context that Bratton and van de Walle (1992) among others note that events outside sub-Saharan Africa aided in releasing "this pressure during 1990 ... While external events were not the main factor, they did shape the politicisation and timing of protests in sub-Saharan Africa" (p. 42). They follow this up by saying that Nyerere's speech to the South-South Seminar in Arusha (February, 1990) declaring that "the single-party state was no longer sacrosanct", a perspective obviously influenced by the fall of the East European bloc (and hence communism in Europe) - and the breaking of relations between CCM and the Communist Party of East Germany.

### 8.3.3. Political Pluralism : Structural Adjustment of Politics?

The Presidential Commission in Tanzania (headed by Chief Justice Nyalali) set up by President Mwinyi in February 1991, submitted its Report on *vyama vya siasa* (political parties) and *vyama vya wananchi* (people's organisations), to the President of the Union Republic of Tanzania, after collecting people's views on the political system: whether to remain one-party or go multiparty. After interviewing 36,000 people 80 percent of who preferred a continuation of the one party system, the Commission recommended a move to a multiparty system, stating that it was not conducting a referendum and hence even if on the part of a minority, the demand for multiparty politics was a legitimate demand from within society - which might brew into a ferment that the state might one day have to use force to quell. The party and the government accepted this recommendation.

The Registration of Political Parties Act, enacted in April 1992 and which came into effect in July 1992, laid down special criteria for registration as being national in scope, not to be ethnically, tribally, regionally or religiously based (i.e., they should have at least 200 members from each of the 10 regions, i.e., from the 8 mainland regions and the (island) regions of Pemba and Zanzibar). It alongside provided for an amendment of the Electoral Act and hence a new electoral commission. Though CCM is to remain until the next general election (1995), the Act tries to prevent parties from falling into ethnic, religious or tribal orientations in practice, even if in theory they appear national. Of the new parties registered, none is more left of centre than the CCM - according to the Tanzanian High Commissioner in London.<sup>11</sup>

The Nyalali Commission identifies 4 facets of a true democracy as: (1) an environment of respect for the rule of law; (2) an environment of respect for human rights; (3) a leadership periodically elected in free and fair elections; and (4) a free flow of information. But the Nyalali Report further notes that although "it is clear that political competition consequent upon permitting multiparties will enhance democracy and accountability of government and elected leaders in the country",

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<sup>11</sup> Speech by Ali Mchumo, October 15, 1992, quoted in the *Bulletin of Tanzanian Affairs*, 44, January 1993, p. 5, at a general meeting of the Britain-Tanzania Society.

"it is important to realise that having multiparties is not sufficient safeguard against the culture of authoritarianism, irresponsibility and malfeasance which have thrived over many years of monopoly of politics under the one-party rule" (volume I, p. 51, para 182, cited in Shivji, 1992). It also goes on to state: "[h]istory has shown that a country can have many parties and still be authoritarian! The question of democracy is really how the people are participating in the running of the country" (p. 104, para 147; *ibid*).

Shivji (1992) interprets these two as arguing firstly that "multipartism is a necessary but not a sufficient condition for democracy", and secondly, that "democracy goes beyond organisations and political power to the very question of people's capacity to decide upon and determine their own destinies". But Shivji also feels that the Government Bill on Political Parties took the Nyalali recommendation to its "logical though politically unwise conclusion", by instituting controls which curtail the scope of the freedom of associations. In particular, the Registrar of Political Parties, the official in charge of registration and deregistration of political parties not only has considerable power but is also an appointee of the President and carries out his duties in consultation with the Cabinet.

This institutional feature coupled with the Opposition's lack of cohesion suggests that the overwhelming victory of the CCM in the local elections in 1994 might well be repeated in the Parliamentary and Presidential elections of October 1995.<sup>12</sup> But in addition, there may be some indication that the CCM government has unfair advantage over the fledgling political parties. In the recent election, it is arguable that victory can perhaps be attributed to "a lack of information in remote areas about the essence of multiparty politics and the opposition's lack of funds ... Radio Tanzania, the main source of news, has done little to let people know about opposition activities" (Shivji, 1994b, p. 10). Besides this, the disunity amongst and between the leaders of opposition parties and within the party itself has not

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<sup>12</sup> "Of the 2418 council wards, the CCM took 1191 unopposed and more than 80 percent of the others where Opposition candidates stood ... However, the Election Commissioner had had serious difficulties in registering electors and only about 10 percent of eligible voters were eventually registered to vote" (cited from *Daily News in Tanzanian Affairs*, p. 9, January 1995. This manifests, according to the article, "widespread apathy among voters, specially in the cities" (*id.*).

helped.<sup>13</sup>

According to Gibbon (1992), there are three new trends in 'political liberalisation' in Tanzania since the beginning of 1991: (i) "successful effort of some pro-multiparty forces to establish platforms for discussion outside of official channels"; (ii) presidential and other official committees to make recommendations on the future of Tanzania's political system (having collected public responses between April 1991 and 1992); and (3) 'some broader political "adjustments", including "dropping important parts of the leadership code, creating conditions for the partial separation of party from other mass organisations and stimulation of an official "anti-corruption" crusade led by the Minister of Home Affairs, Augustine Mrema" (pp. 150-1).

#### 8.3.4. Political Responses to SAP : The Impact on Government Commitment

The potential for political action in response to the policies of Structural Adjustment implemented by the government of Tanzania till August 1991 (when the fieldwork was concluded) is summarised below for each of the three categories of respondents surveyed: the urban lower classes, the bureaucracy and the intelligentsia.

##### *The Urban Lower Classes*

As Chapter 5 noted, the urban lower classes have borne the brunt of the hardship of the Tanzanian economic crisis and the subsequent attempts at policy reform. Burgeoning prices, falling real incomes and the diminished access to health care and education are the primary problems that have driven these classes to the informal sector to supplement their incomes. While the government initially

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<sup>13</sup> The most powerful political party in Zanzibar, the CUF, has a major leadership problem with the mainland chairman estranged from the isle's vice-chairman, with the latter Seif Shariff Hamed acting over as the acting Chairman of the party. The UMD of Chief Fundikira and Christopher Kassanga Tumbo is also rife with infighting. Indeed "so confident is CCM of winning next year's elections that President Mwinyi has announced that the next CCM government will give Opposition parties able to garner at least 5 percent of the votes, 20 percent of the seats in Parliament" (*Daily News in Tanzanian Affairs*, p. 9, January 1995, p. 11).

disapproved of these sideline economic activities - which it rightly perceived as draining national resources away from the official economy - the turnaround in policy following the budget of 1984 (and the realisation that the informal sector might constitute a potential asset to national development) has substantially encouraged the proliferation of entrepreneurial activity in the informal sector.

The response to SAP, thus, is conditioned by the potential for self-improvement afforded by the encouragement of secondary economic activity. The majority of respondents surveyed were resorting to legal informal sector activity although the *matapeli* (or illegal informal activity) is also reportedly flourishing.

The attitude towards the government is divided between approval for the economic and administrative re-structuring initiated in the 1980s and confusion regarding the ethical duality implicit in the government's market-oriented capitalist legislation on the one hand and the continued defence of socialism in public by political leaders. At least to some, the development promised in *ujamaa* socialism appears to be manifest in the prosperity that the entrepreneurial activity of the informal sector affords.

Political support for the continuation of the single-party political system however appears to be less than that for a multiparty system - although support in each instance appears to be on account of a 'negative' rather than 'positive' preference. The threat of disunity accounts for the support for the status quo while the promise of a better government is the major factor behind the support for a change. Nevertheless, there is little belief that more parties mean more democracy. Indeed a 'cleaner' and more effective government appears to be the preferred option, not necessarily a government elected through a multiparty political system.

But it is by no means clear that the continuing hardship despite the onset of reform will result in mass protest and riots as have happened elsewhere in Africa. This is however not only on account of the monopoly that the single-party state has over organisational space, nor on account of a lack of precedent. A more probable reason is that a non-confrontationist stance allows greater effort to be concentrated on self-improvement through informal sector activity.

The dominant response from the urban lower classes, thus, is not a move towards political mobilisation for protest but towards steady 'disengagement' from

the state and the greater informalisation of the economy.

### *The Bureaucracy*

The party and administrative bureaucracy in Tanzania, as seen in Chapter 6, is the backbone of the single-party state, being almost indistinguishably inter-meshed and quite tightly-knit. The electoral regime affords a little flexibility within the system with electoral voices being effective in changing even long-serving incumbents of public office. Patronage and corruption, however, are strong characteristics of the bureaucracy although its levels may be lower than those found in neighbouring countries like Kenya. A major change in the relationship between the administrative bureaucrats - the civil servants - and the party bureaucrats has been the relative freedom currently enjoyed by the former from the long period of subordination to the party bureaucrats. While one legacy of this curtailment is the accumulated ability of civil servants to stall, circumvent, subvert and emasculate party directives to suit their own interests, another is the patronage networks built up over the years to further the economic and political interests.

The re-instatement of civil servants to their policy formulation and implementation role, without much interference from the party bureaucracy, however, does not appear to be complete since there is now a new factor to reckon with, the expatriate experts, who civil servants feel represent a new impediment to the speedy and effective implementation of reform measures.

The economic hardship and the frustrating work atmosphere has led several bureaucrats (nearly all those sampled) to secondary jobs in the informal sector. Yet, there is greater awareness among civil servants of the national interest and the logic and role of reforms in the future economic progress of the country as a whole than among the party bureaucracy.

The potential political response from the civil servants thus may not, once again, be towards public protests at the hardship of their own personal economic situation but rather towards a gradual slowdown of input into the reform process itself and a greater concentration on the prospects afforded by informal sector activity. Like the informal classes, then, the civil servants may opt for a non-



confrontationist 'disengagement' and instead, for a greater degree of informal sector activity. Such a tendency, however, may be tempered by the long-term perspective that many bureaucrats expressed, the realisation that government was moving in the only direction possible under the circumstances. This is perhaps the single most important factor to offset the growing disengagement and informalisation.

The potential political response from the party bureaucrats, given the confusion created by the ethical duality of the government's actions and the onset of multiparty politics, is rather more complicated. On the one hand, there is likely to be some move towards multiparty politics and a consequent escape from the governing dictates of party doctrine. This may well lead to greater economic and political activity with the express purpose of personal enhancement. The support to structural adjustment may then depend very much on the possible consequences of SAP policies on their personal economic and political situations alone. Thus while a general feeling of nationalism is a feature of the response of party bureaucrats, there is also support for those measures of SAP that improve personal well-being and disapproval for those that do not.

On the other hand, given that party policies are now openly in support of both economic liberalisation and multiparty politics, resolute adherence to party doctrine would imply staunch support for reform, almost irrespective of the consequences for their personal economic situations. Protest may instead be directed against specific members within the party seen to be stalling or diverting party resources away from stated party objectives. Such protest however would be directed within the party and through the party apparatus for political accountability. Clearly, however, overt protest against SAP policies, in the case of the party bureaucrats, is more likely in the case of those members who choose to leave the party.

### *The Intelligentsia*

The responses of University students and staff and the mediapersons surveyed in Chapter 7 point towards possible sources of organised protest against SAP policies that adversely affect the economic well-being of not only these groups but also that of less-privileged groups in society.

While students proved the more vocal and militant of the three groups, their failure to form a political cohesive and coherent interest group capable of sustained and strategic protest against government measures has proved their undoing in the past. There is no indication yet that this situation has changed. Thus although public protest may well be forthcoming from University student groups who feel that they have been unfairly targeted by reform (through the imposition of fees and the removal of subsidies and allowances), the effectiveness of their protest is questionable.

University staff members, on the other hand, are more 'troublesome' from the point of view of the government in the sense that not only are some of them international figures in their own disciplines but their protests are likely to be more reasoned, lasting and far-reaching. And the nascent press freedom with the attendant mushrooming of private newspapers and magazines as also the arrival of television in Tanzania are likely to increase the avenues of communication with the general public available to these literate and potentially persuasive group. Nevertheless, there are signs that this freedom of expression may not be fully granted for some time to come (see Shivji, 1994a, 1994b and 1994c).

In the past, however, the government has chosen (in the absence of a free press) to either publicly denounce protesting University staff members or to transfer them to less sensitive and visible appointments. The government has also taken the extreme step of closing the University to ensure that the protest movements did not have the environment to develop further into more threatening social formations.

Thus, while the staff are clearly unhappy about the impact of SAP measures on their personal economic situations, on those of the less-privileged groups in society and on the education sector of the economy, the government are clearly prepared to act quickly, decisively and ruthlessly to stop protests from reaching unmanageable proportions. The political response of this group hence is likely to be tempered by governmental action although some amount of caution may now have to be exercised with the coming of multiparty politics and alternative sources of political support.

The media is yet another group that is capable of public persuasion and expanding its sphere of influence under its newfound freedom from party control.

From their responses, however, it would appear that the motivations of mediapersons are governed more by a concern for personal well-being than by issues of purely national interest. Against the option of trying to balance precariously between a concern for truth and public interest on the one hand and government censure on the other, there is always the other more comfortable option of going abroad to work.

The potential for political action from this group, while considerable superficially at least, is thus likely to be moderated by the apparent desire for better professional and personal prospects abroad.

In terms of the potential impact on government commitment to the implementation of reform policies, thus, it would appear that there are two broad responses: firstly, direct political action by groups such as University students, staff members and the media to impede the implementation of government policies by raising public consciousness of the ongoing economic hardship, and indirect political action - especially by those leaving the party organisation - to try and further personal economic and political prospects; and secondly, and perhaps more significantly, a disengagement from state activity to channel greater efforts into informal sector activity.

The consequences for the future implementation of SAP in Tanzania, however, is likely to be a complex interplay between these political responses, the outcome of the multiparty political process (the first multiparty elections are due in late 1995), the degree of commitment of the government and especially the bureaucracy to reform and their capability to implement the policies of the Structural Adjustment Process.

If, as recent poll results indicate, the CCM returns to political power in the coming elections, the prospects for reform at least as far as government commitment is concerned may be intact. But the commitment and capability of the bureaucrats to implement these reforms may be less effective the longer the economic hardship continues and the greater the efforts they have to put into supplementary income-generating activity. Although a growth in such activity by all groups concerned may decrease the potential for effective political protest it may also decrease the quality and quantity of human resources channelled into the implementation process.

#### 8.4. Conclusions : Structural Adjustment, Civil Society and State in Contemporary Tanzania

The post-colonial state in Tanzania, with all its attendant characteristics, and in the context of economic crisis, has had to implement the tough policies of structural adjustment at the behest of the IMF and the World Bank. Without such external financial assistance, the state would lose its social base and hence political legitimacy because the impoverishment of the state coffers, due to the economic crisis, sharply reduces the ability of the state to service the patron-client networks on which it depends for its survival. Alongside, given that the policies of SAP are focusing on a group of gainers, it simultaneously creates groups of 'losers' within society, which *also* affects the social base of the state and hence its survival. The state, thus, has no option but to selectively cut its patron-client ties, 'disengaging' especially those groups within society targeted by the IMF and the World Bank through their policies of structural adjustment. However, these may not be the groups that pose the least political threat to the state. This might include workers, peasants and the underprivileged classes in general (who are generally voiceless within society) but might also include University staff and students and administrative bureaucrats, who are by no means politically innocuous groups within society.

The state thus is caught in a bind. On the one hand, it has to satisfy the requirements of structural adjustment - since its economic and hence political survival depends on the generation of economic growth within the country - and on the other, it has to guard itself against the 'revenge of civil society', which could again threaten survival. One of the major threats posed by civil society's actions is the 'disengagement' from state activity, not only by the active diversion of economic resources to the unregistered and therefore untaxed parallel economy, but also through the dissipation of bureaucratic expertise and administrative efficiency by the exigencies of secondary employment within the informal sector. Thus, not only are the quantitative resources of the nation being diverted but also its qualitative resources of human capital. It appears increasingly as if civil society in Tanzania has eschewed its option of confronting the government with its economic woes and

instead has sought to substitute for the services that the state ought to but has failed to provide.

If structural adjustment works, and economic growth is engendered, the political gamble of the 'state class' would have paid off and its survival chances would increase. It might then try to re-capture some of the economic gains of civil society by re-forging or strengthening patron-client networks based on burgeoning state resources.

On the other hand, if adequate economic growth eludes Tanzania in the future, the economic and political fortunes of the 'state class' would look bleak indeed. Not only will the state resources for patronage shrink further - thus further curtailing the possibility of servicing patron-client networks essential for political survival - but there could well be popular uprisings based on the resultant economic hardship - with the possibilities of SAP-led growth now exhausted - that may signal the end of the political legitimacy of the state. And indeed, the organisational space and possibilities of effective communication offered by the arrival of multiparty politics in Tanzania may well facilitate the aggregation of sections of civil society to collectively protest or at any rate act against the state and the state class.

To pose the issue the other way around, the long-term sustainability of SAP requires, more than anything, (a) the state to become more decentralised, especially in its decision-making; (b) to develop better ties with the civil society and (c) to gather and process more information within civil society.<sup>14</sup> And this is perhaps best served in a context of true plural politics, characterised by:

- (a) Significant legal reforms to create an atmosphere congenial to potential investors, promoting business confidence, ensuring individual economic rights, a credible means of resolving conflict; and a government bound by institutional checks above authoritarian or personal rule, without control over the Constitution.
- (b) A genuinely free press to promote accountability by creating public awareness of government action (and inaction) with critical and doubtful voices being given their due - and which does not just disseminate

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<sup>14</sup> This has been discussed in Chapter 3 in the context of the 'closed' nature of the negotiation process and a lack of information to the public regarding SAP.

government press releases and sycophantic endorsements of government proclamations, reporting little else but government success; and

- (c) Political mobilisation through the promotion of autonomous political associations within civil society which would allow organisations to represent economic actors who may not otherwise be heard.

Nevertheless, the relationship between the current and future implementation of SAP policies, the machinations of civil society, the success of SAP policies and the future political legitimacy of the state may not be so simple.

One plausible interlink is between the actions of civil society and the success of SAP. If larger and larger national resources are diverted into the informal sector and parallel economy, it may well be that there are insufficient resources left within the formal economy to engender the economic growth that the structural adjustment is trying to foster. If so, certain (large) groups within civil society may well prosper at the expense of the state. Contrary to the earlier trend, thus, the locus of economic (and political?) power may shift from the state to civil society. The main losers in such an event would be the 'state class'.<sup>15</sup> If these efforts at increasing the participation in the official economy (through registration and taxation) work, then the outflow from the formal to the informal sector of the economy may decline though it is doubtful if it would cease altogether.

But any inferences at this level, and indeed further theorising on these possibilities, require further micro-level empirical political analysis aimed at understanding the motivations behind the dynamic, fluid and blurred relationship between members of the state and society.

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<sup>15</sup> This may be one perception informing the current attempts by the state to 're-capture' the participants of the informal sector by offering concessional credit, shorter official working hours and greater governmental assistance.

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